

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT No. 1977

NOV 29 1957

LISTED OCTOBER 21st, 1957
4,000,000 Participating Preferred Shares of \$10 par value
Ticker abbreviation FRP PR
Post section 11
Mining and oil commissions shall apply

TORONTO STOCK EXCHANGE

LISTING STATEMENT

FRENCH PETROLEUM COMPANY OF CANADA LTD.

Incorporated under the Companies Act, Canada by Letters Patent dated September 21, 1956

1. Address of the Company's Head Office and of any other offices:
718, Eighth Avenue West, Calgary, Alberta
2. Officers of the Company:

OFFICE HELD	NAME	ADDRESS	OCCUPATION
President	Henri Charles Marie Evremond de Cizancourt	701 Hillcrest Avenue, Calgary, Alberta, Canada	Oil Executive
Vice-President and Secretary	William Tyler Hamilton	916 Crescent Boulevard, Calgary, Alberta, Canada	Manager
Vice-President and Assistant Secretary	Henri Jean Maurice Champin	83 Quai D'Orsay, Paris, France.	Manager
Treasurer	Roland Louis Henri Tassin de Montaignu	2724-Third Avenue Northwest, Calgary, Alberta, Canada.	Economist
3. Directors of the Company:

NAME	ADDRESS	OCCUPATION
Jacques Charles Victor Benezit	89 Avenue de Villiers, Paris, France.	Oil Executive
Frederic René Berbigier	6 Rue des Marronniers, Paris, France.	Oil Executive
Henri Jean Maurice Champin	83 Quai D'Orsay, Paris, France.	Manager
Henri Charles Marie Evremond de Cizancourt	701 Hillcrest Avenue, Calgary, Alberta, Canada.	Oil Executive
Wilfrid Gagnon	285 Outremont Avenue, Outremont, Quebec, Canada.	Executive
Philip Reginald Payn	Como, Quebec, Canada.	Investment Dealer
John James Saucier, Q.C.	2226 Amherst Street, Calgary, Alberta, Canada.	Lawyer
4. Names and addresses of all transfer agents:
Montreal Trust Company, 15 King Street West, Toronto, Ontario; 177 Hollis Street, Halifax, Nova Scotia; 511 Place d'Armes, Montreal, Quebec; Eighth Avenue at Third Street, Calgary, Alberta; and 466 Howe Street, Vancouver, British Columbia.
5. Particulars of any fee charged upon transfer other than customary government taxes:
None.
6. Names and addresses of all registrars:
The Royal Trust Company, 19 Richmond Street West, Toronto, Ontario; Duke and Hollis Streets, Halifax, Nova Scotia; 400 Craig Street West, Montreal, Quebec; 115, Eighth Avenue West, Calgary, Alberta; and 626 West Pender Street, Vancouver, British Columbia.
7. Amount of authorized capital: \$65,000,000.
8. Number of shares and par value: 4,000,000 participating preferred shares of \$10 par value each and 25,000,000 ordinary shares of \$1 par value each.
9. Full details of all shares issued in payment for properties or for any other assets other than cash:

Date	Number of Shares	Description
June 17, 1957.....	9,082,183	All assets Canadian Branch of Compagnie Française des Pétroles S.A. including cash, receivables, inventories and current assets at \$760,083.98, miscellaneous at \$217,323.55, petroleum and natural gas leases and reservations Saskatchewan, Alberta and British Columbia at \$8,771,601.64, paid by assumption of \$666,826.17 liabilities and issue 9,082,183 shares at \$1.00 per share.
June 17, 1957.....	1,632,761	Liquidation \$2,351,176 advances by Compagnie Française des Pétroles.
Total.....	10,714,944	

10. Full details of all shares sold for cash.	Date	No. of Shares		Price Per Share	Amount realized by Company
		Preferred	Ordinary		
	October 4, 1956....		7	\$1.00	\$ 7.00
	June 17, 1956.....		347,263	1.44	500,058.72
	June 17, 1956.....		208,334	1.44	300,000.96
	July 8, 1957.....	1,500,000		10.00	15,000,000.00
	July 8, 1957.....	50,000		10.00	500,000.00
	July 8, 1957.....	30,000		10.00	300,000.00
	Total.....	1,580,000	555,604		\$16,600,066.68
11. Total number of shares issued.	1,580,000 preferred and 11,270,548 ordinary.				
12. Number of shares now in treasury or otherwise unissued.	2,420,000 preferred and 13,729,452 ordinary.				
13. Particulars of any issued shares held in trust for the Company or donated for treasury purposes.	Nil.				
14. Date of last annual meeting.	June 17, 1957.				
15. Date of last report to shareholders.	June 17, 1957.				
16. Details of any treasury shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. If none, this to be stated.	<p>By agreements dated June 17, 1957, Compagnie Française des Pétroles acquired options to acquire at par (a) 100,000 preferred shares by November 1, 1957; (b) a further 100,000 preferred shares by September 30, 1960.</p> <p>By agreement dated June 20, 1957, W. C. Pitfield & Company, Limited, underwrote 1,500,000 preferred shares at par. The underwritten shares have been taken up, as set out in item 10 above.</p> <p>The balance of the options remaining outstanding is: 100,000 preferred shares at \$10.00 a share until November 1, 1957; 100,000 preferred shares at \$10.00 a share until September 30, 1960.</p>				
17. Details of any shares pooled, deposited in escrow, non-transferable or held under any syndicate agreement or control.	None.				
18. Details of any registration with or approval or authority for sale granted by or any filing with a Securities Commission or corresponding Government body.	1,580,000 participating preferred shares are qualified for resale through registered dealers in all Provinces of Canada except Prince Edward Island and Newfoundland.				
19. Has any application for registration with, or approval or authority for sale by or any filing with a Securities Commission or corresponding Government body ever been refused, cancelled or revoked? If so, give particulars.	No.				

20. Particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None.
21. Enumerate fully, giving claim or property numbers, approximate acreage, townships and mining camp or oil field: (a) Properties owned where titles vested in Company. (b) Properties leased. (c) Properties otherwise held.	See Schedule "A" on page 5 annexed hereto to form part hereof.
22. Full particulars of any royalties or other charges payable upon production from each individual property.	See Schedule "B" on page 5 annexed hereto to form part hereof.
23. Are any lawsuits pending against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so, explain fully.	No.
24. Describe plant and equipment on property.	See Schedule "C" on page 5 annexed hereto to form part hereof.
25. Describe development accomplished and planned.	See Schedule "D" on page 5 annexed hereto to form part hereof.
26. Date and author of mining or petroleum engineer's or geologist's report filed with this application and available for inspection on request.	McDaniel Consultants Ltd. May 22, 1957. J. C. Sproule & Associates. May 24, 1957.
27. Full particulars of production to date.	See Schedule "E" on page 6 annexed hereto to form part hereof.
28. Have any dividends been paid? If so, give dates, per share rate, and amount paid in dollars on each distribution.	No.

<p>29. Name and address of the solicitor or attorney whose certificate that the applicant is a valid and subsisting company and that the shares which have been allotted and issued were legally created and are fully paid and non-assessable has been filed with the Exchange.</p>	<p>Common, Howard, Cate, Ogilvy, Bishop & Cope, 360 St. James Street West, Montreal, Quebec.</p>
<p>30. (a) Have any shares of the Company ever been listed on any other stock exchange? If so, give particulars.</p> <p>(b) Is any application for listing the shares of the Company on any other stock exchange now pending or contemplated? If so, give particulars.</p> <p>(c) Has the listing of any shares of the Company ever been refused or deferred on any stock exchange? If so, give particulars.</p>	<p>No.</p> <p>Application is being made concurrently for the listing of the participating preferred shares on the Montreal Stock Exchange.</p> <p>No.</p>
<p>31. Particulars of the principal business in which each director has been engaged during the past five years, giving the length of time, position held and name of employing company or firm.</p>	<p>See Schedule "F" on page 6 annexed hereto to form part hereof.</p>

Dated at Calgary, Alberta the 10th day of September, 1957.



FRENCH PETROLEUM COMPANY OF CANADA LTD.
 "H. DE CIZANCOURT," *President.*
 "W. T. HAMILTON," *Secretary.*

STATEMENT SHOWING NUMBER OF SHAREHOLDERS
 as of July 19th, 1957

<i>Number</i>		<i>Shares</i>	
1,950	Holders of 1 - 100 shares.....	105,797	
406	" " 101 - 1000 "	133,370	
34	" " 1001 - 2000 "	50,095	
16	" " 2001 - 3000 "	38,485	
5	" " 3001 - 4000 "	17,520	
5	" " 4001 - 5000 "	23,875	
23	" " 5001 - up	1,130,858	
2,439 Stockholders		Total Shares.....	1,500,000

SCHEDULE "A" REFERRED TO IN ITEM 21

TOTAL LAND HOLDINGS								(as of April 30, 1957)
	P. & N.G. LEASES, ETC.				RESERVATIONS AND PERMITS		TOTAL	
	Crown Gross	Granted Net	Freehold Gross	Freehold Net	Crown Gross	Granted Net	Gross	Net
1. OWNED—								
Alberta.....	—	—	240	240	—	—	240	240
			(Mineral Rights held in fee simple)					
2. LEASED—								
Alberta.....	231,269	111,276	14,251	11,478	—	—	245,520	122,754
Alberta to be earned *	7,306	7,306	320	320	—	—	7,626	7,626
Saskatchewan.....	276,524	134,214	1,120	400	—	—	277,644	134,614
3. REMAINDER—								
Alberta.....	—	—	—	—	1,629,569	1,082,287	1,629,569	1,082,287
British Columbia.....	—	—	—	—	49,930	24,965	49,930	24,965
British Columbia to be earned *	—	—	—	—	558,325	279,163	558,325	279,163
	<u>515,099</u>	<u>252,796</u>	<u>15,931</u>	<u>12,438</u>	<u>2,237,824</u>	<u>1,386,415</u>	<u>2,768,854</u>	<u>1,651,649</u>

*Acreage not yet fully acquired, but which may be acquired upon fulfilment of contractual obligations under Agreements or which may be acquired by exercising options.

SCHEDULE "B" REFERRED TO IN ITEM 22

(as of April 30, 1957)

Reference is made to Schedule "A" as to total properties held under freehold and Crown leases respectively. Freehold leases are, with very minor exceptions where a small additional royalty may be also charged, subject to a Lessor's royalty of 12½%. Crown granted lands are subject to the varying sliding scale royalties applicable to the Province in which such lands are located. Certain properties subject to Crown Royalty are also subject to an additional gross royalty, which may vary from 2% to 4%, usually 2% or 2½%. Further, in addition to Crown Royalty, Alberta leases covering approximately 35,000 net acres are subject to net carried interests varying from 2% to 16%, Alberta Reservations covering approximately 550,000 net acres are subject to net carried interests varying from 20% to 25% and British Columbia Permits covering approximately 300,000 net acres are subject to varying net carried interests varying from 12% to 19%.

The scale of provincial Crown royalties is, generally speaking, as follows:

Alberta (Order in Council 808/51)

- (a) Crude petroleum oil—a monthly royalty ranging from 5% on production of less than 600 barrels to 16¾% on production exceeding 4,050 barrels.
- (b) Fluid hydrocarbons and sulphur—12½%.
- (c) Natural gas—15% of selling price or fair value at time of production (but not less than ¾ cents per Mcf.).
- (d) Bituminous sands—as prescribed, not exceeding one-sixth of products in first year.

British Columbia (Petroleum and Natural Gas Act, 1954)

- (a) Crude petroleum—same as Alberta.
- (b) Fluid hydrocarbons and sulphur—12½%.
- (c) Natural gas—15% (but not less than ¾ cents per Mcf.).

Saskatchewan (O.C. 873/56 as amended by O.C. 603/57)

- (a) Crude petroleum—a monthly royalty ranging from 5% on production of less than 600 barrels to 16% on production exceeding 4,950 barrels.
- (b) Natural gas—8% (but not less than ½ cent per Mcf.).
- (c) All other—8%.

SCHEDULE "C" REFERRED TO IN ITEM 24

PLANT AND EQUIPMENT ON PROPERTIES

(as of May 31, 1957)

Pembina 1.

Storage tanks—2 x 500 bbl. galvanized, bolted, steel tanks. Two 125 psi WP separators. Two pumping units. Necessary flow lines, valves, meters and fittings.

Pembina 23.

Storage tanks—3 x 500 bbl. galvanized, bolted, steel tanks. Two 125 psi WP separators. Two pumping units. Necessary buildings, lines, valves, meters and fittings.

Pembina 17.

Storage tanks—2 x 500 bbl. galvanized, bolted, steel tanks. One 125 psi WP separator. One oil line heater. Necessary buildings, lines, valves, meters and fittings.

Bonnie Glen 20.

Storage tanks—4 x 1,000 bbl. galvanized, bolted, steel tanks. Two 125 psi WP separators. Necessary buildings, lines, valves, meters and fittings.

Torquay 32A.

Storage tanks—4 x 500 bbl. galvanized, bolted, steel tanks. One 28' x 6' gas-fired heater treater. Two pumping units. Necessary buildings, lines, valves, meters and fittings.

Cutbank 1.

Storage tanks—1 x 500 bbl. high, galvanized, bolted flat bottomed steel tanks. One pumping unit. 4 cylinder•Waukesha gas engine.

East Cutbank 16-4.

Storage tanks—2 x 500 bbl. high, galvanized, bolted flat bottomed steel tanks. One separator 30" x 10'. One pumping unit. 4 cylinder Waukesha gas engine.

Trail 15-30.

Storage tanks—1 x 500 bbl. high, galvanized, bolted flat bottomed steel tanks. One separator 30" x 10'.

SCHEDULE "D" REFERRED TO IN ITEM 25

DEVELOPMENT ACCOMPLISHED

(as of May 31, 1957)

Pembina 1.....	N.W. ¼ 21-48-8 W 5	Two oil wells and storage battery.
Pembina 23.....	S.E. ¼, S.W. ¼ 23 and S.W. ¼ 24-48-8 W 5.....	Six oil wells and storage battery.
Pembina 17.....	S.E. ¼ 17-49-7 W 5.....	Two oil wells and storage battery.
Bonnie Glen.....	N.E. ¼ 20-47-27 W 4.....	Four oil wells and storage battery.
Torquay.....	E. ½ 32-3-11 W 2.....	Two oil wells and storage battery.
Cutbank 1.....	LSD 6-9-64-7 W 6.....	One oil well, battery, pumping, no separator.
East Cutbank 16-4.....	LSD 16-4-64-6 W 6.....	One oil well, battery, separator, pumping unit.
Trail No. 15-30.....	LSD 15-30-64-9 W 6.....	One gas well, battery, separator.

SCHEDULE "E" REFERRED TO IN ITEM 27

GROSS DAILY PRODUCTION — INITIAL AND PRESENT

(as of May 31, 1957)

Lease Well	Initial Production Barrels Per Day	Current Production Barrels Per Day
Pembina 1:		
1 Pembina 12-21.....	113 (December, 1954).....	42
2 Pembina 14-21.....	13 (March, 1955).....	10
Pembina 23:		
3 Pembina 2-23.....	123 (January, 1955).....	22
4 Pembina 4-23.....	135 (January, 1955).....	50
5 Pembina 6-23.....	66 (February, 1955).....	34
6 Pembina 8-23.....	4 (March, 1955).....	12
7 Pembina 4-24.....	122 (January, 1955).....	37
8 Pembina 6-24.....	129 (January, 1955).....	68
Pembina 17:		
9 Pembina 2-17.....	114 (October, 1954).....	74
10 Pembina 8-17.....	131 (October, 1954).....	77
Bonnie Glen:		
A9-20.....	834 (March, 1957).....	806
10-20.....	1,446 (November, 1956).....	816
15-20.....	880 (August, 1956).....	840
16-20.....	848 (December, 1956).....	826
Torquay:		
No. 1.....	132 (September, 1956).....	45
No. 10-32.....	66 (January, 1957).....	65
Cutbank:		
No. 1.....	10 Suspended	
East Cutbank.....	10 Suspended	
Trail.....	Not Produced	

ANNUAL GROSS PRODUCTION FROM INCEPTION

	Pembina 1	Pembina 23	Pembina 17	Bonnie Glen	Torquay	Cutbank
November, 1956.....	1,802 (901)	7,165 (2,388)	4,514 (1,505)	12,092 (12,092)	2,525 (1,263)	251 (40)
December, 1956.....	1,403 (702)	8,611 (2,870)	5,148 (1,716)	18,825 (18,825)	2,751 (1,376)	130 (22)
1956 Total.....	3,205 (1,603)	15,776 (5,258)	9,662 (3,221)	30,917 (30,917)	5,276 (2,639)	381 (62)
1956 Grand Total.....				(65,217)	(43,700)	
January, 1957.....	1,731 (865)	8,383 (2,794)	5,011 (1,670)	19,306 (19,306)	3,796 (1,898)	418 (70)
February, 1957.....	1,617 (809)	6,983 (2,328)	4,363 (1,454)	15,977 (15,977)	3,725 (1,863)	220 (37)
March, 1957.....	1,748 (874)	7,288 (2,429)	4,497 (1,499)	17,810 (16,615)	3,825 (1,912)	136 (23)
April, 1957.....	1,575 (788)	6,728 (2,243)	4,676 (1,559)	21,418 (18,772)	3,701 (1,850)	—
May, 1957.....	1,725 (862)	6,588 (2,196)	4,461 (1,487)	25,463 (22,346)	2,609 (1,305)	—
1957 Total.....	8,396 (4,198)	35,970 (11,990)	23,008 (7,669)	99,974 (93,016)	17,656 (8,828)	774 (130)
1957 Grand Total.....				185,778	(125,831)	
Grand Total.....	11,601 (5,801)	51,746 (17,248)	32,670 (10,890)	130,891 (123,933)	22,932 (11,467)	1,155 (192)
Grand Total, 1956 and 1957				(250,995)	(169,531)	

Net French Petroleum Production is shown in brackets (i.e. French Petroleum's proportion of total production before deduction of royalties).

THE COMPANY'S ESTIMATED GROSS PRODUCTION FOR BALANCE OF CURRENT YEAR

(Before Deduction of Royalties)

Prop.	50%	33⅓%	33⅓%	87.5%	50%	100%	100%	100%	
MONTH	Pembina 1	Pembina 23	Pembina 17	Bonnie Glen	Torquay	Sundre	Harmatten	Weyburn	Total
June.....	800	2,000	1,500	20,000	1,650	—	—	—	29,950
July.....	800	2,000	1,500	24,000	1,550	1,500	—	—	31,350
August.....	700	1,900	1,500	24,000	1,450	3,000	3,500	—	36,050
September.....	700	800	1,500	24,000	1,350	4,500	4,700	3,000	40,550
October.....	700	800	1,500	24,000	1,250	5,500	6,000	3,000	42,750
November.....	600	800	1,500	24,000	1,150	7,000	6,000	3,000	44,050
December.....	600	1,900	1,500	24,000	1,050	8,500	6,000	3,000	47,550
	<u>4,900</u>	<u>10,200</u>	<u>10,500</u>	<u>164,000</u>	<u>9,450</u>	<u>30,000</u>	<u>26,200</u>	<u>12,000</u>	<u>267,250</u>

SCHEDULE "F" REFERRED TO IN ITEM 31

Director	Principal Position	Length of Time During Past 5 Years	Position Held	Firm
J. BENEZIT	Oil Executive	3 yrs. 2 yrs.	Exploration & Prod. Mgr. Acting Exploration & Production Mgr.	Compagnie Française des Pétroles Compagnie Française des Pétroles
F. BERBIGIER	Oil Executive	5 yrs.	Financial Mgr.	Compagnie Française des Pétroles
H. CHAMPIN	Manager	5 yrs.	Manager—Western Hemisphere operations	Compagnie Française des Pétroles
H. DE CIZANCOURT	Oil Executive	8 mos. 2 yrs. & 4 mos.	President Manager	French Petroleum Company of Canada Ltd. Canadian Branch of Compagnie Française des Pétroles Compagnie Française des Pétroles
WILFRID GAGNON	Executive	2 yrs.	Chief Geologist	Compagnie Française des Pétroles
PHILIP R. PAYN	Investment Dealer	5 yrs.	Chairman of the Board of:	Dow Brewery Limited.
J. J. SAUCIER, Q.C.	Lawyer	5 yrs.	Vice-President	W. C. Pitfield & Company Limited
			Partner in the firm of:	Chambers, Might, Saucier, Milvain, Peacock, Jones & Black

FINANCIAL STATEMENTS

FRENCH PETROLEUM COMPANY OF CANADA LTD. BALANCE SHEET AND PRO FORMA BALANCE SHEET AS AT APRIL 30, 1957

ASSETS

	<i>Balance Sheet</i>	<i>Pro Forma Balance Sheet</i>
CURRENT ASSETS:		
Cash.....	\$ 192,372	\$15,085,543
Accounts Receivable—		
Trade.....	107,983	107,983
Participants in joint ventures.....	233,171	233,171
Employees.....	30,228	30,228
Sundry deposits and advances.....	21,737	21,737
Inventories—		
Crude oil, at market.....	3,566	3,566
Materials and supplies, at cost.....	362,292	362,292
Prepaid Expenses.....	22,512	22,512
	<u>973,861</u>	<u>15,867,032</u>
REFUNDABLE RESERVATION DEPOSITS.....	110,000	110,000
CAPITAL ASSETS, at cost:		
Petroleum and Natural Gas Interests—		
Producing properties.....	3,452,589	3,452,589
Less: Accumulated depletion.....	88,260	88,260
Non-producing properties.....	6,829,317	6,829,317
Production Equipment.....	252,789	252,789
Less: Accumulated depreciation.....	14,709	14,709
Other Capital Assets.....	164,097	164,097
Less: Accumulated depreciation.....	13,476	13,476
	<u>10,582,347</u>	<u>10,582,347</u>
ORGANIZATION AND CAPITAL STOCK ISSUE EXPENSES.....	7,580	1,132,580
	<u>\$11,673,788</u>	<u>\$27,691,959</u>

LIABILITIES

	<i>Balance Sheet</i>	<i>Pro Forma Balance Sheet</i>
CURRENT LIABILITIES:		
Bank Loans.....	\$ 972,889	\$ —
Accounts Payable and Accrued.....	521,941	521,941
	<u>1,494,830</u>	<u>521,941</u>
COMPAGNIE FRANCAISE DES PETROLES SOCIETE ANONYME:		
Payable re purchase of properties— <i>Note (1)</i>	9,082,183	—
Payable re advances— <i>Note (2)(c)</i>	1,960,176	—
	<u>11,042,359</u>	<u>—</u>
CAPITAL STOCK:		
Participating Preferred Shares of the par value of \$10 each—		
<i>Notes (2)(d), (3) and (4)</i> —		
Authorized—4,000,000 shares.....	\$40,000,000	—
To be issued— <i>Notes (2)(e) and (f)</i> —		
1,580,000 shares of the par value of \$10 each.....	—	15,800,000
Ordinary Shares of the par value of \$1.00 each—		
Authorized—25,000,000 shares (increased from 15,000,000 shares on June 18, 1957— <i>Note (2)(d)</i>).....	\$25,000,000	—
Issued—		
7 shares for cash.....	7	7
To be issued—		
9,082,183 shares for properties— <i>Notes (1) and (2)(a)</i>	—	9,082,183
1,632,761 shares for advances— <i>Note (2)(c)</i>	—	1,632,761
555,597 shares for cash— <i>Note (2)(b)</i>	—	555,597
	<u>11,270,548 shares</u>	<u>—</u>
Premium on Ordinary Shares.....	—	962,878
	<u>7</u>	<u>28,033,426</u>
DEFICIT.....	863,408	863,408
	<u>\$11,673,788</u>	<u>\$27,691,959</u>

The Notes on the following page are an integral part of the foregoing Balance Sheets.

Approved on behalf of the Board: "H. DE CIZANCOURT", *Director*.
"J. J. SAUCIER", *Director*.

NOTES TO THE BALANCE SHEET AND PRO FORMA BALANCE SHEET AS AT APRIL 30, 1957

BALANCE SHEET:

- (1) Under agreement dated as of October 31, 1956, as amended, the Company acquired, as of that date, all of the assets, amounting to \$9,749,009, of the Canadian operations of Compagnie Française des Pétroles, Société Anonyme, for a consideration to be satisfied by the assumption of the liabilities, amounting to \$666,826, pertaining to such operations and the allotment and issue of 9,082,183 fully paid shares of its capital stock at the price of \$1.00 per share. The basis of the foregoing transaction in the case of capital assets represented cost (less a minor amount for amortization of leasehold improvements on premises occupied) and, for other assets and for liabilities, represented actual value. In accordance with the accounting policies followed by the vendor company to October 31, 1956 for its Canadian operations, the cost of capital assets included all expenditures from the inception of such operations late in 1953 for geological and geophysical surveys, dry holes and lease and reservation rentals on non-producing properties with the exception of certain survey expenditures that did not result in the retention of properties and which, together with costs of properties abandoned, had been written off. Under the accounting policies for properties followed by the Company since November 1, 1956, geological and geophysical costs which result in the retention of properties are capitalized with the cost of properties; lease and reservation rentals and other carrying charges on non-producing properties are charged to income as incurred; dry hole costs (including costs of uncompleted drilling projects at October 31, 1956 which prove unproductive) are written off when the status of the well is determined except in respect of wells drilled to earn an interest in property in which case the amount of the cost of such wells which represents the Company's proportionate share of such cost in ratio to its earned interest is written off and the balance of its costs is treated as an acquisition cost; and the costs of abandoned properties are written off at the time of surrender. Acquisition costs, exclusive of other capitalized expenditures, amounted to \$9,917,946 for the properties acquired to April 30, 1957, described in paragraphs (M) (1) to (9), inclusive, in the Statutory Information.

PRO FORMA BALANCE SHEET:

- (2) The pro forma balance sheet gives effect as at April 30, 1957 to the following:
- (a) the allotment and issue on June 17, 1957 to Compagnie Française des Pétroles, Société Anonyme, of the 9,082,183 shares (as then constituted) referred to in Note 1 above;
 - (b) the subscription for, allotment and issue on June 17, 1957 of 555,597 fully paid shares of the par value of \$1.00 each (as then constituted) in the capital of the Company at a price of \$1.44 per share;
 - (c) the liquidation of advances from Compagnie Française des Pétroles, Société Anonyme, in the amount of \$1,960,176 to April 30, 1957 and a further \$391,000 in the month of May, 1957, in consideration of the allotment and issue on June 17, 1957 to that company of 1,632,761 fully paid shares of the par value of \$1.00 each (as then constituted) in the capital of the Company;
 - (d) the issue of supplementary letters patent dated June 18, 1957, amongst other things, redesignating the shares of the par value of \$1.00 each in the capital of the Company as ordinary shares of the par value of \$1.00 each and increasing the authorized share capital of the Company to \$65,000,000 by (i) increasing the number of such ordinary shares from 15,000,000 to 25,000,000 shares and (ii) creating 4,000,000 Participating Preferred Shares of the par value of \$10 each;
 - (e) the subscription for, allotment and issue of 80,000 fully paid Participating Preferred Shares of the par value of \$10 each in the capital of the Company at a price of \$10 per share;
 - (f) the allotment, issue and sale to an underwriter of 1,500,000 fully paid Participating Preferred Shares of the par value of \$10 each in the capital of the Company at a price of \$10 per share;
 - (g) the payment of a commission of 70 cents per share out of the proceeds of the sale of shares in (f) above and the payment of estimated legal, audit and other expenses of issue amounting to \$75,000 out of the general funds of the Company; and
 - (h) the retirement prior to the issue of the shares referred to in (e) and (f) above of bank loans in the amount of \$972,889 and the inclusion as cash of the balance of the net proceeds of the share issues referred to in (b), (e) and (f) above.
- (3) The Participating Preferred Shares are non-callable and are entitled to non-cumulative, preferential dividends, if and when declared by the directors, aggregating 60 cents per annum in priority to dividends on the ordinary shares. Reference is made to the rights and preferences of the Participating Preferred Shares set forth in paragraph (D) of the Statutory Information.
- (4) Under date of June 17, 1957 the Company granted options to Compagnie Française des Pétroles, Société Anonyme, to purchase at par 100,000 Participating Preferred Shares during the period from October 1, 1957, to September 30, 1960 and a further 100,000 such shares at par during the period from October 1, 1957 to November 1, 1957.

TO THE DIRECTORS,

FRENCH PETROLEUM COMPANY OF CANADA LTD.:

We have examined the balance sheet and pro forma balance sheet of French Petroleum Company of Canada Ltd. as at April 30, 1957 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet, supplemented by the note thereto, presents fairly the financial position of the Company as at April 30, 1957, according to the best of our information and the explanations given to us and as shown by the books of the Company.

It is also our opinion that the pro forma balance sheet presents fairly the financial position of the Company as at April 30, 1957, after giving effect as of that date to the transactions referred to in Note (2) to the pro forma balance sheet.

"PRICE, WATERHOUSE & CO."

Calgary, Alberta, Canada, June 20, 1957.

Chartered Accountants.

FRENCH PETROLEUM COMPANY OF CANADA LTD.

and its Predecessor

COMPAGNIE FRANÇAISE DES PÉTROLES, SOCIÉTÉ ANONYME (CANADIAN BRANCH)

STATEMENT OF PROFIT AND LOSS

	Compagnie Française des Pétroles, Société Anonyme (Canadian Branch) (Note 2)			French Petroleum Company of Canada Ltd.	
	October 15, 1953 to December 31, 1954	Year ended December 31, 1955	Ten months ended October 31, 1956	Two months ended December 31, 1956	Four months ended April 30, 1957
INCOME:					
Oil sales, less royalties.....	\$ 16,695	\$199,769	\$166,805	\$ 97,374	\$223,233
Miscellaneous.....	6,637	22,767	19,379	3,362	1,655
	<u>23,332</u>	<u>222,536</u>	<u>186,184</u>	<u>100,736</u>	<u>224,888</u>
EXPENSES:					
Well operating costs.....	1,511	36,308	22,879	10,559	13,423
Administration.....	113,206	116,761	129,773	38,170	74,859
Geological—departmental.....	111,384	125,590	90,023	19,026	47,325
Geophysical—departmental.....	—	15,791	22,519	4,158	8,315
Production—departmental.....	—	9,241	23,224	8,475	20,294
	<u>226,101</u>	<u>303,691</u>	<u>288,418</u>	<u>80,388</u>	<u>164,216</u>
	<u>202,769</u>	<u>81,155</u>	<u>102,234</u>	<u>20,348</u>	<u>60,672</u>
OTHER CHARGES:					
Lease and reservation rentals.....	—	—	—	112,042	184,979
Dry holes.....	—	—	—	112,325	65,923
Unproductive exploration and losses on properties abandoned or sold.....	75,116	317,727	—	276,591	78,025
Depletion.....	—	—	—	29,004	59,256
Depreciation.....	—	2,084	—	10,161	16,122
	<u>75,116</u>	<u>319,811</u>	<u>—</u>	<u>540,123</u>	<u>404,305</u>
<i>Loss for the period.....</i>	<u>\$277,885</u>	<u>\$400,966</u>	<u>\$102,234</u>	<u>\$519,775</u>	<u>\$343,633</u>

NOTES:

- (1) As net income was not earned during the period, no income taxes are exigible.
- (2) The Company follows the policy of charging to income lease and reservation rentals and other carrying charges on non-producing properties and of writing off dry hole costs when the status of the well is determined except in respect of wells drilled to earn an interest in property in which case the amount of the cost of such well which represents the Company's proportionate share of such cost in ratio to its earned interest is written off and the balance of its costs is treated as an acquisition cost, whereas the Predecessor capitalized such items as cost of properties; depreciation and depletion have also been provided by the Company but not by the Predecessor. If the Predecessor had followed the same policy as the Company, the following additional charges to revenue would have arisen; 1954—\$23,868; 1955—\$398,089; 1956 (to October 31)—\$771,686.

TO THE DIRECTORS,
FRENCH PETROLEUM COMPANY OF CANADA LTD.:

We have examined the above statement of profit and loss of French Petroleum Company of Canada Ltd. and of its Predecessor, Compagnie Française des Pétroles, Société Anonyme (Canadian Branch), for the period from October 15, 1953 to April 30, 1957. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the above statement, supplemented by the notes thereto, presents fairly the results of operations of the Company and its Predecessor for the above-mentioned period.

"PRICE, WATERHOUSE & CO."

Calgary, Alberta, Canada, June 20, 1957.

Chartered Accountants.

GEOLOGIST'S REPORT

Calgary, Alberta,
May 24, 1957.

FRENCH PETROLEUM COMPANY OF CANADA LTD,
718 Eighth Avenue West,
Calgary, Alberta.

Dear Sirs,

We are pleased to respond to your request for an abbreviated summary of the recent evaluation made of the undeveloped petroleum and natural gas lands and holdings of French Petroleum Company of Canada Ltd. (hereinafter called the "Company") as of April 30, 1957.

From our study of the lists of holdings that you have supplied to us, we have determined that the Company holds or has the right to acquire working interests in 2,766,934 gross undeveloped acres, equivalent to 1,650,488 net undeveloped acres, exclusive of certain acreage in the Sundre and Harmattan-Elkton, Alberta, and Weyburn, Saskatchewan, areas acquired at recent Crown auctions, which have not been included in this evaluation.

We estimate that the above net undeveloped acreage has a present value of approximately \$10,431,424, based on our knowledge of current acquisition costs, geology and other pertinent information as to the areas in which this acreage is located.

A summary breakdown of these figures, sub-divided only as to major categories of land holdings and areas, is as follows:

	<i>Gross acres</i>	<i>Net acres</i>	<i>Net valuation</i>
Petroleum and Natural Gas Leases			
Alberta.....	251,545	129,458	\$ 2,989,823
Saskatchewan.....	277,325	134,375	549,884
Petroleum and Natural Gas Reservations and Permits			
Alberta.....	1,629,569	1,082,287	4,316,291
British Columbia.....	608,255	304,128	2,572,145
Mineral Titles			
Alberta.....	240	240	3,281
Totals.....	<u>2,766,934</u>	<u>1,650,488</u>	<u>\$10,431,424</u>

It would serve no particular purpose here to describe the prospects of the various holdings in detail. We should, however, like to present a general picture of the potential value of the Company's undeveloped holdings by commenting very briefly on the principal project blocks.

The most promising of the Company's holdings may be referred to in five areas, located in the northeastern British Columbia area, in the south Grande Prairie area, the Whitecourt-Paddle River area and the Stolberg-Cardston area of Alberta and in southeastern Saskatchewan.

The Company's permit holdings in northeastern British Columbia are, for the most part, well located with respect to known geological structure, in areas of multiple prospective petroleum and natural gas horizons, and relatively well located with respect to the Westcoast Transmission gas pipeline, presently under construction.

The south Grande Prairie project is part of a large block owned jointly by several companies in and adjacent to which a number of wells have already been drilled, with further drilling planned for the immediate future. In the wells drilled the percentage of those yielding strong shows of oil or gas is high and several wells adjacent to the properties are indicated as being commercial. Considering the size of the area and the incidence of success for the holes drilled, the prospects must be regarded as good but as yet relatively unknown. The Lower Mesozoic and Paleozoic reservoir horizons are almost wholly unknown in the area, whereas the presently known Cretaceous prospects are in the Cardium, Dunvegan, Viking and Basal Cretaceous sands.

The Company's Whitecourt-Paddle River holdings are located in an area that must also be regarded as having a high potential because of the rate of discovery from wells drilled in and around it. Commercial, or indicated commercial, discoveries have been made, within and near the project block, in the Viking, Basal Quartz and Jurassic sands and in the Mississippian and Devonian D-2 and D-3 reservoir horizons.

The largest group of leases held by the Company is located in southwestern Alberta in and adjacent to the Alberta foothills. These leases are spread from the Stolberg area southeast to the Sundre, Westward Ho, Crossfield, Olds, Calgary, High River and Cardston areas. The general region may be described as the most promising area in southern Alberta. It owes its potential mainly to reservoirs in the Mississippian and Devonian and in the sands of the Jurassic and Cretaceous, possibly in the order in which the formations are named. A number of recent discoveries have been made in the area and, in our opinion, substantial discoveries remain to be made in the future.

The Company's southeastern Saskatchewan holdings in the Torquay-Lake Alma-Radcliffe area are located, for the most part, south of the main prospective Mississippian oil field trend, although minor discoveries have also been made, along with several dry holes drilled, in and adjacent to the Company's project block. At least two known regional structural trends affect the Company's holdings in the area. Two oil wells in which the Company holds an interest have been removed from this valuation and covered by a separate report of oil reserves.

Another Company project that possibly deserves special mention is the Alberta Tar Sands acreage. Even though it is a minor holding in terms of present value, improvements in mining and extraction methods and/or in markets could enhance the value of this acreage.

A somewhat similar change could take place in the Company's large holdings in the northern Alberta Granite Wash area where present developments dictate our assigning a relatively low unit value to acreage because it is in an early stage of exploration.

In summary, we regard the undeveloped petroleum and natural gas lands and holdings of the Company as having been well selected. They are distinctly above the average from the standpoint of petroleum and natural gas prospects and present a broad variety of geological prospects.

Yours truly,

J. C. SPROULE & ASSOCIATES

"J. C. SPROULE", P.Eng. (Seal)

CERTIFICATE

I, John Campbell Sproule, consulting geologist, 901 Eighth Avenue West, Calgary, Alberta, Canada, hereby certify:

1. That I graduated as a Geologist from the University of Alberta with the degree of Bachelor of Science in the year 1930, that I obtained the degree of Master of Arts at the University of Toronto in the year 1931 and that I obtained the degree of Doctor of Philosophy in Geology from the University of Toronto in the year 1935.
2. That I am a Fellow of the Geological Society of America, a Member of the American Association of Petroleum Geologists, the Society of Exploration Geophysicists, and the Society of Economic Paleontologists and Mineralogists, and that I am a registered Professional Engineer for the Provinces of Alberta, Saskatchewan, British Columbia, and Manitoba.
3. That I and my employees have no interest, directly or indirectly, nor do we expect to receive any interest, directly or indirectly, in the properties or securities of French Petroleum Company of Canada Ltd.; and
4. That the above report is based on my geological and other general knowledge of the areas described above and that of my Associates, and upon consideration of all available data on wells drilled in adjacent areas, and upon examination of electric logs and available production engineering data on wells in the vicinity of the aforementioned properties during May, 1957.

Calgary, Alberta, Canada, May 24, 1957.

"J. C. SPROULE", P.Eng. (Seal)

ENGINEER'S REPORT

FRENCH PETROLEUM COMPANY OF CANADA LTD.,
718 Eighth Avenue West,
Calgary, Alberta.

Calgary, Alberta.
May 22, 1957.

Dear Sirs,

Pursuant to your request, we have made a study of the crude oil reserves of French Petroleum Company of Canada Ltd. (hereinafter called the "Company"). The principal oil producing interests of the Company are located in the Bonnie Glen and Pembina fields of Alberta and the Torquay area of Saskatchewan. The Company also has a royalty interest in a well which was recently completed in the Westward Ho field of Alberta. The presently reported producing characteristics of this well would indicate that a workover may be required and, therefore, these reserves were not included in this study.

The Company's gross proven remaining oil reserves before deducting royalties were estimated by employing the general methods adopted by the Canadian Petroleum Association Reserve Committee. The probable additional oil reserve estimates were based on reasonable interpretations of the possible beneficial effects of pressure maintenance. Cumulative oil production to April 30, 1957 was taken from Company records. The producing characteristics of the individual wells were reviewed. This information was employed to relate such characteristics to the oil reserve estimates.

The Company's estimated remaining crude oil reserves before deducting royalties as of April 30, 1957 have been given in the following table by fields:

Field	Company's share of gross remain- ing crude oil reserves in barrels before deducting royalties as of April 30, 1957.	
	Estimated proven	Estimated probable additional
Bonnie Glen.....	6,832,000	2,563,000
Pembina.....	409,400	477,600
Torquay.....	104,000	—
Total.....	7,345,400	3,040,600

The Company's share of the estimated gross proven remaining crude oil reserves as of April 30, 1957 is estimated to have a present value of \$8,830,000 before overhead and income taxes. A 5% discount factor was employed in these calculations. These values were based on the writer's opinion of future production and economics and therefore do not necessarily indicate market value. It will also be noted that no values were assigned to the probable additional crude oil reserves estimated because of the intangible nature of such reserves

It will be noted that in the Torquay area only the presently drilled wells were considered in this study. The report does not give effect to the Company's acquisition of proven and semi-proven acreage in the Sundre, Harmattan-Elkton and Weyburn fields at recent Crown auctions.

The extent and character of ownership and all other factual data supplied by the Company were accepted as represented.

Respectfully submitted,
McDANIEL CONSULTANTS LTD.
per "R. R. McDANIEL", *President.* (Seal)

CERTIFICATE

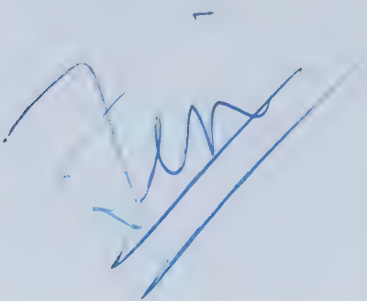
I, Roderick Rogers McDaniel, Petroleum Engineer, 231 Eighth Avenue West, Calgary, Alberta, Canada, hereby certify:

1. That I am the President of McDaniel Consultants Ltd. which company did prepare a report upon certain properties of French Petroleum Company of Canada Ltd. during the months of April and May, 1957, and that I as such President supervised the preparation of such report.
2. That McDaniel Consultants Ltd., its officers or employees have no direct or indirect interest, nor do they expect to receive any direct or indirect interest, in the properties of French Petroleum Company of Canada Ltd. or in any securities of that company.
3. That I attended the University of Alberta in the years 1944 and 1945 and the University of Oklahoma in the years 1945 to 1947, that I graduated with a Bachelor of Science degree in Petroleum Engineering from the University of Oklahoma, that I am a member of the Canadian Institute of Mining and Metallurgy, that I am a registered Professional Engineer in the Provinces of Alberta and Saskatchewan and that I have in excess of nine years' experience in oil and gas reservoir studies and evaluations of Western Canadian fields; and
4. That a personal field examination of the Company's properties was not made as it was deemed unnecessary in view of my personal knowledge of the general reservoir conditions and characteristics of the fields and areas in question and the volume and accuracy of the records supplied.

Calgary, Alberta, Canada, May 22, 1957. "R. R. McDANIEL", P.Eng. (Seal)

A copy of this prospectus has been filed with the Secretary of State of Canada in accordance with the provisions of the Companies Act (Canada).
This prospectus is not, and under no circumstances is to be construed as, a public offering of these Participating Preferred Shares in the United States of America or in the territories or possessions thereof.

New Issue



JUL 9 1957

\$15,800,000
Participating Preferred Shares
(Non-cumulative and non-callable)
of the par value of \$10 each

French Petroleum Company of Canada Ltd.
(Incorporated under the laws of Canada)

The Participating Preferred Shares are non-callable and are entitled to non-cumulative, preferential dividends, if and when declared by the directors, aggregating 60 cents per share per annum in priority to dividends on the ordinary shares of the Company and, in any one fiscal year after dividends aggregating 9 cents per share have also been declared and paid on the ordinary shares of the Company, both classes of shares shall participate in any further dividends, if and when declared by the directors, in such fiscal year, in such proportions that the amount of such additional dividends on each Participating Preferred Share shall be six times as much as the amount of such additional dividends on each ordinary share. On a liquidation or dissolution of the Company or any distribution of capital, the Participating Preferred Shares shall be entitled to a distribution equal in amount to the par value thereof in priority to the ordinary shares and after distribution on the ordinary shares of an amount equal to one and one-half times the par value thereof, plus in each case, declared and unpaid dividends, both classes of shares shall participate in any further distribution of assets in such proportions that the amount so distributed on each Participating Preferred Share shall be six times as much as the amount so distributed on each ordinary share. Participating Preferred Shares and ordinary shares each carry the right to one vote per share at all meetings of shareholders. The preferences, priorities, rights, privileges, restrictions, limitations and conditions attaching to both classes of shares respectively are set forth in paragraph (D) of the Statutory Information in this prospectus.

Transfer Agent
Participating Preferred Shares
MONTREAL TRUST COMPANY
Halifax, Montreal, Toronto, Calgary and Vancouver
Registrar
Participating Preferred Shares
THE ROYAL TRUST COMPANY
Halifax, Montreal, Toronto, Calgary and Vancouver

Capitalization (Upon completion of the proposed financing)		
	Authorized	Outstanding
Participating Preferred Shares of the par value of \$10 each.....	\$40,000,000 (1)	\$15,800,000
Ordinary Shares of the par value of \$1.00 each.....	\$25,000,000	\$11,270,548
(1) Reference is made to the options to purchase a total of 200,000 Participating Preferred Shares set forth in paragraph (E) of the said Statutory Information.		

Of the 1,580,000 Participating Preferred Shares offered by this prospectus 80,000 shares are being sold privately at \$10 per share to be paid in cash on or about July 8, 1957.

We, as principals, offer the remaining 1,500,000 Participating Preferred Shares of the par value of \$10 each in the capital of the Company if, as and when issued by the Company and accepted by us, subject to prior sale or change in price and subject to approval of all legal matters on our behalf by Messrs. Dixon, Senecal, Turnbull, Mitchell, Stairs, Culver & Kierans and on behalf of the Company by Messrs. Common, Howard, Cate, Ogilvy, Bishop & Cope, both of which Counsel may rely on the opinion of other counsel in respect of the validity of the incorporation and organization of the Company and other matters of local law.

PRICE: \$10 per share

We reserve the right to accept applications for the said remaining 1,500,000 Participating Preferred Shares in whole or in part or to reject any application and to withdraw this offer at any time without notice. It is expected that interim certificates in registered form for the Participating Preferred Shares will be available for delivery on or about July 8, 1957.

Application for listing the Participating Preferred Shares on the Montreal Stock Exchange and The Toronto Stock Exchange has been approved subject to the filing of documents and evidence of satisfactory distribution.

W. C. Pitfield & Company, Limited
MONTREAL

HALIFAX	MONCTON	SAINT JOHN	QUEBEC	ST. HYACINTHE	OTTAWA	CORNWALL
TORONTO	WINNIPEG	CALGARY	EDMONTON	VANCOUVER	VICTORIA	NEW YORK

French Petroleum Company of Canada Ltd.

Calgary, Alberta,
June 20, 1957.

W. C. PITFIELD & COMPANY, LIMITED,
MONTREAL, QUEBEC.

Dear Sirs,

With reference to the proposed issue of 1,580,000 Participating Preferred Shares of the par value of \$10 each in the capital of French Petroleum Company of Canada Ltd. (hereinafter called the "Company"), we are pleased to give you the following information.

The Company

The Company was incorporated under the laws of Canada in 1956 to engage in the exploration for and development and production of oil and natural gas. Subsequent to incorporation the Company acquired the assets of the Canadian branch of Compagnie Française des Pétroles, Société Anonyme, (hereinafter sometimes called "C.F.P.") of Paris, France, which company, as the parent organization, sponsored the incorporation of the Company and has voting control of the Company.

The Parent Organization

Compagnie Française des Pétroles, Société Anonyme, was organized in 1924. After its organization it acquired certain oil interests in the Middle East, which interests were awarded to France under an international treaty after World War I. The Government of France is the largest shareholder of C.F.P. having a 35% share interest carrying a 40% voting power at shareholders' meetings. Over the years, C.F.P.'s activities in the oil industry broadened and increased and by the end of 1956 included extensive exploration, production, refining and marketing interests in France, other countries of Western Europe, Africa, the Middle East, Australia and Canada.

C.F.P. has a 23.75% interest in the Iraq Petroleum Company group of companies, the remaining interest being held directly or indirectly by The British Petroleum Company Limited, Royal Dutch-Shell Group, Standard Oil Company (New Jersey), Socony Mobil Oil Company, Inc. and Participations and Explorations Corporation. The Iraq Petroleum Company group holds oil concessions covering all of the 171,600 square mile surface of the Kingdom of Iraq and all of the Sheikhdom of Qatar on the Persian Gulf. Crude oil production by the Iraq Petroleum Company group amounted to over 260,000,000 barrels in 1956 of which C.F.P.'s share was over 60,000,000 barrels. This group also has important exploration concessions on the Trucial Coast of the Persian Gulf to the east of Qatar, in the Sultanate of Oman and in the Hadhramaut region of southern Arabia.

C.F.P. has a one-third and The British Petroleum Company Limited has a two-thirds interest in companies formed to explore concessions on the continental shelf off the coast of Abu Dhabi and Dubai in the Persian Gulf. One of these companies, Abu Dhabi Marine Areas Ltd., has conducted submarine exploration and has chosen a drill site for its first well to be spudded shortly.

C.F.P. participated with seven other international oil companies in the creation of the Consortium responsible for the production, refining and disposal of oil from southern Iran including the operation of the large Abadan refinery. In 1956, C.F.P.'s 6% interest in the Consortium yielded over 6,000,000 barrels of crude oil and over 3,350,000 barrels of refined products.

Other exploration interests include 85% ownership of a subsidiary which holds seven permits covering about 48,000 square miles in the northern part of the Sahara Desert south of Algiers. These permits are contiguous with other permits covering a similar surface area held by La Société Nationale de Recherches et d'Exploitation des Pétroles en Algérie. Under a joint operating agreement the two companies participate equally in the costs of and benefits from the exploration and development of this area. To date two wells, five miles apart, have encountered over 350 feet of indicated productive zone. Interests in important exploration concessions in Libya and France and participations in petroleum companies operating in Morocco and Tunisia are also held by C.F.P.

Refining operations are carried on in France, Italy and Portugal by subsidiaries and affiliates with an aggregate refining capacity in excess of 200,000 barrels of oil per day. A wholly-owned subsidiary operates a fleet of ocean-going tankers having a total dead weight of 300,000 tons. Distribution and marketing of petroleum products are carried on by a number of subsidiaries and affiliates in France, many other countries in Western Europe, Africa and Australia.

Late in 1953, C.F.P. established a Canadian branch in Western Canada and by October, 1956 had acquired or had the right to acquire exploration interests in approximately 2,545,000 gross acres in Saskatchewan, Alberta and British Columbia and had developed appreciable proven oil reserves which were acquired by the Company as hereinafter described under "Business of the Company".

Business of the Company

Under an agreement dated as of October 31, 1956, as amended, the Company acquired all the assets of C.F.P. situated in the Provinces of Saskatchewan, Alberta and British Columbia for \$9,749,009.17 being the aggregate amount of the actual cost thereof to C.F.P. less only amortization of leasehold improvements on premises occupied by that company. The purchase price was paid and satisfied by the Company (a) to the extent of \$666,826.17 by the assumption of debts and liabilities of C.F.P. incurred in connection with its business carried on in the foregoing Provinces and (b) to the extent of the balance of \$9,082,183 by the issue and allotment to C.F.P. of 9,082,183 fully paid and non-assessable shares of the par value of \$1.00 each (as then constituted) in the capital of the Company.

As a result of the foregoing the Company acquired all the operations and personnel of the Canadian branch of C.F.P. The following table reflects the growth of such operations since their inception late in 1953.

	Years ended December 31			Four months ended April 30, 1957
	1954	1955	1956	
Oil production in barrels before deducting royalties...	11,681	96,101	123,975	97,040
Oil sales after deducting royalties.....	\$16,695	\$199,769	\$264,179	\$223,233

As at April 30, 1957, the Company held or had the right to acquire working interests in 2,766,934 gross undeveloped acres, equivalent to 1,650,488 net acres, in the Provinces of Saskatchewan, Alberta and British Columbia as shown on the maps in this prospectus and its share of gross remaining estimated proven and probable additional crude oil reserves as computed by McDaniel Consultants Ltd. in its report dated May 22, 1957 in this prospectus amounted to 10,386,000 barrels, as follows:

UNDEVELOPED ACREAGE		
Petroleum and Natural Gas Leases	Gross acres	Net acres
Alberta.....	251,545	129,458
Saskatchewan.....	277,325	134,375
Petroleum and Natural Gas Reservations and Permits		
Alberta.....	1,629,569	1,082,287
British Columbia.....	608,255	304,128
Mineral Titles		
Alberta.....	240	240
Total.....	2,766,934	1,650,488

OIL RESERVES		
	Company's share of gross remaining crude oil reserves in barrels before deducting royalties as of April 30, 1957	
Field	Estimated proven	Estimated probable additional
Bonnie Glen.....	6,832,000	2,563,000
Pembina.....	409,400	477,600
Torquay.....	104,000	—
Total.....	7,345,400	3,040,600

In their report dated May 24, 1957 in this prospectus Messrs. J. C. Sproule & Associates have estimated that the Company's net undeveloped acreage has a present value of approximately \$10,431,424 and McDaniel Consultants Ltd. in its said report has estimated the present value of the Company's estimated proven oil reserves at \$8,830,000. The Company's net undeveloped acreage and proven oil reserves have an aggregate estimated present value of \$19,261,424 under the foregoing reports, while the Company's producing and non-producing properties and production equipment, less accumulated depletion and depreciation, are carried at a cost of \$9,379,727 on the Company's balance sheet as at April 30, 1957 in this prospectus after excluding the \$1,051,999 cost of acquisition of the three leases referred to in the next following paragraph.

At the Alberta Crown auction on April 24, 1957 the Company acquired 160 acres in the Harmattan-Elkton field being the southeast quarter of section 30, township 32, range 4, west of the 5th meridian for a cash bonus of \$319,555 and 321 acres in the Sundre field being the west half of section 35, township 33, range 5, west of the 5th meridian for a cash bonus of \$559,555. At the Saskatchewan Crown auction on April 9, 1957 the Company acquired a lease on 159 acres in the Weyburn field being the northwest quarter of section 36, township 6, range 14, west of the 2nd meridian for a cash bonus of \$172,889. These three recently acquired parcels are not included in the foregoing evaluation prepared by Messrs. J. C. Sproule & Associates nor are they taken into account in the foregoing calculation of oil reserves prepared by McDaniel Consultants Ltd. Both the Sundre and Harmattan-Elkton parcels are offset by producing wells and the first well on each of these two parcels is expected to reach the productive zone by the middle of July this year.

Exploration Activity

During the current year the Company's exploration drilling is being concentrated in British Columbia. Further exploration and drilling is contemplated in Alberta and Saskatchewan upon completion of negotiations presently pending.

The Richfield-C.F. des P.-Caliph Grizzly Valley No. 1 well which is presently being drilled in a virgin area in northeast British Columbia jointly by Richfield Oil Corporation and the Company recently encountered a gas show in a Triassic formation at approximately 11,900 feet. By participating in the drilling of this well the Company will earn a 50% working interest, proportionately subject to British Columbia Crown royalty, a 2½% gross royalty and a 30% net carried interest, in approximately 217,000 permit acres immediately surrounding this well. It is anticipated that Richfield Oil Corporation and the Company will jointly drill another test well this year on this acreage in order to evaluate it more fully prior to conversion to lease.

It is expected that the Company and Richfield Oil Corporation will jointly drill a test well during the coming year to evaluate a block of approximately 219,000 permit acres located in the Hudson Hope area of northeast British Columbia. For participating in the drilling of this well, the Company will earn a 50% working interest, proportionately subject to British Columbia Crown royalty, a 2½% gross royalty and a 26½% net carried interest.

In the Cameron River area, also in northeast British Columbia, the Company will earn a 50% working interest, proportionately subject to British Columbia Crown royalty, a 4% gross royalty and a 38% net carried interest, in approximately 122,000 permit acres by drilling two wells, the first of which, it is expected, will be commenced during the forthcoming winter. The cost of these test wells will be shared equally by Richfield Oil Corporation and the Company. The southern boundary of this block of acreage is situated approximately three and one-half miles north of the Texaco Exploration N.F.A.-Cameron River No. 1 well which tested 7,690,000 cubic feet of gas per day from a Triassic formation and is capped as a potential gas well.

Following the Union Oil Company of California's Granite Wash discovery in northern Alberta at Red Earth in township 87, range 8, west of the 5th meridian, the Company acquired an interest in approximately 871,000 reservation acres in this general region on which a gravity survey was recently completed. It is anticipated that a reflection seismic survey will be carried out during the forthcoming winter and that the drilling of test wells on the Company's acreage will be undertaken on the most favourable features delineated.

Growth of Canadian Oil Industry

The Canadian Petroleum Association reports that over the past ten years Canadian oil production has increased over 22 times from 7,692,492 barrels in 1947 to 171,990,415 barrels in 1956 and that proven reserves of crude oil and natural gas liquids have increased from 72,000,000 barrels at the end of 1946 to over 3,000,000,000 barrels at the end of 1956.

The Canadian Petroleum Association in its brief to the Royal Commission on Canada's Economic Prospects forecasts Canadian crude oil production at 1,480,780 barrels daily by 1980, a 310% increase over the 1956 figure of 475,000 barrels daily.

Paralleling the growth of Canada's oil reserves has been the increase in gas reserves. The proved and probable recoverable gas reserves in Western Canada, as estimated by the Reserves Committee of the Canadian Petroleum Association as of June 30, 1956, were 22.5 trillion cubic feet. It is estimated that total recoverable reserves discovered by 1980 will amount to 88 trillion cubic feet.

Canada's petroleum resources, once locked in the West, are now carried both east and west by major oil pipelines to the growing markets of the Great Lakes and Pacific Coast areas, which will shortly be complemented by gas pipelines.

Purpose of Issue

The net proceeds to the Company from the sale of the Participating Preferred Shares offered by this prospectus amounting to \$14,750,000 after payment of the commission referred to in paragraph (E) of the Statutory Information in this prospectus will be used to carry on and expand the Company's exploration, development and other operations, including development of the Company's acreage and acquisition of oil reserves and additional acreage through purchase or otherwise, and for general corporate purposes.

Management

The President of the Company is Henri Charles Marie Evremond de Cizancourt who has been employed by C.F.P. for approximately thirty years. Prior to Mr. de Cizancourt's transfer to Canada to take charge of the Canadian operations of C.F.P. he was employed as chief geologist for C.F.P.

The Company will be able to draw on the wide oil industry experience of C.F.P. and its associated companies, which will be enhanced by the representation of C.F.P. on the board of directors of the Company.

Technical Reports

Appended are the Geologists' Report of Messrs. J. C. Sproule & Associates dated May 24, 1957 and the Engineer's Report of McDaniel Consultants Ltd. dated May 22, 1957. The former report reviews and estimates the present value of the undeveloped properties of the Company and the latter estimates the Company's proven and probable additional oil reserves and estimates the present value of its proven oil reserves.

Financial Statements

Appended are a balance sheet and a pro forma balance sheet of the Company as at April 30, 1957 together with a combined statement of profit and loss for the Canadian branch business of C.F.P. and for the Company for the period from October 15, 1953 to April 30, 1957.

Yours truly,

FRENCH PETROLEUM COMPANY OF CANADA LTD.

Per (Sgd.) H. DE CIZANCOURT,
President.

Geologists' Report
J. C. SPROULE & ASSOCIATES
Geological & Exploration Consultants

Calgary, Alberta,
May 24, 1957.

FRENCH PETROLEUM COMPANY OF CANADA LTD.,
718-8th Avenue West,
Calgary, Alberta.

Dear Sirs,

We are pleased to respond to your request for an abbreviated summary of the recent evaluation made of the undeveloped petroleum and natural gas lands and holdings of French Petroleum Company of Canada Ltd. (hereinafter called the "Company") as of April 30, 1957.

From our study of the lists of holdings that you have supplied to us, we have determined that the Company holds or has the right to acquire working interests in 2,766,934 gross undeveloped acres, equivalent to 1,650,488 net undeveloped acres, exclusive of certain acreage in the Sundre and Harmattan-Elkton, Alberta, and Weyburn, Saskatchewan, areas acquired at recent Crown auctions, which have not been included in this evaluation.

We estimate that the above net undeveloped acreage has a present value of approximately \$10,431,424, based on our knowledge of current acquisition costs, geology and other pertinent information as to the areas in which this acreage is located.

A summary breakdown of these figures, sub-divided only as to major categories of land holdings and areas, is as follows:

	Gross acres	Net acres	Net valuation
Petroleum and Natural Gas Leases			
Alberta.....	251,545	129,458	\$ 2,989,823
Saskatchewan.....	277,325	134,375	549,884
Petroleum and Natural Gas Reservations and Permits			
Alberta.....	1,629,569	1,082,287	4,316,291
British Columbia.....	608,255	304,128	2,572,145
Mineral Titles			
Alberta.....	240	240	3,281
Totals.....	<u>2,766,934</u>	<u>1,650,488</u>	<u>\$10,431,424</u>

It would serve no particular purpose here to describe the prospects of the various holdings in detail. We should, however, like to present a general picture of the potential value of the Company's undeveloped holdings by commenting very briefly on the principal project blocks.

The most promising of the Company's holdings may be referred to in five areas, located in the north-eastern British Columbia area, in the south Grande Prairie area, the Whitecourt-Paddle River area and the Stolberg-Calgary-Cardston area of Alberta and in southeastern Saskatchewan.

The Company's permit holdings in northeastern British Columbia are, for the most part, well located with respect to known geological structure, in areas of multiple prospective petroleum and natural gas horizons, and relatively well located with respect to the Westcoast Transmission gas pipeline, presently under construction.

The south Grande Prairie project is part of a large block owned jointly by several companies in and adjacent to which a number of wells have already been drilled, with further drilling planned for the immediate future. In the wells drilled the percentage of those yielding strong shows of oil or gas is high and several wells adjacent to the properties are indicated as being commercial. Considering the size of the area and the incidence of success for the holes drilled, the prospects must be regarded as good but as yet relatively unknown. The Lower Mesozoic and Paleozoic reservoir horizons are almost wholly unknown in the area, whereas the presently known Cretaceous prospects are in the Cardium, Dunvegan, Viking and Basal Cretaceous sands.

The Company's Whitecourt-Paddle River holdings are located in an area that must also be regarded as having a high potential because of the rate of discovery from wells drilled in and around it. Commercial, or indicated commercial, discoveries have been made, within and near the project block, in the Viking, Basal Quartz and Jurassic sands and in the Mississippian and Devonian D-2 and D-3 reservoir horizons.

The largest group of leases held by the Company is located in southwestern Alberta in and adjacent to the Alberta foothills. These leases are spread from the Stolberg area southeast to the Sundre, Westward Ho, Crossfield, Olds, Calgary, High River and Cardston areas. The general region may be described as the most promising area in southern Alberta. It owes its potential mainly to reservoirs in the Mississippian and Devonian and in the sands of the Jurassic and Cretaceous, possibly in the order in which the formations are named. A number of recent discoveries have been made in the area and, in our opinion, substantial discoveries remain to be made in the future.

The Company's southeastern Saskatchewan holdings in the Torquay-Lake Alma-Radcliffe area are located, for the most part, south of the main prospective Mississippian oil field trend, although minor discoveries have also been made, along with several dry holes drilled, in and adjacent to the Company's project block. At least two known regional structural trends affect the Company's holdings in the area. Two oil wells in which the Company holds an interest have been removed from this valuation and covered by a separate report of oil reserves.

Another Company project that possibly deserves special mention is the Alberta Tar Sands acreage. Even though it is a minor holding in terms of present value, improvements in mining and extraction methods and/or in markets could enhance the value of this acreage.

A somewhat similar change could take place in the Company's large holdings in the northern Alberta Granite Wash area where present developments dictate our assigning a relatively low unit value to acreage because it is in an early stage of exploration.

In summary, we regard the undeveloped petroleum and natural gas lands and holdings of the Company as having been well selected. They are distinctly above the average from the standpoint of petroleum and natural gas prospects and present a broad variety of geological prospects.

Yours truly,

J. C. SPROULE & ASSOCIATES

Per (Sgd.) J. C. Sproule (Seal)

Certificate

I, JOHN CAMPBELL SPROULE, consulting geologist, 901-8th Avenue West, Calgary, Alberta, Canada hereby certify:

1. that I graduated as a geologist from the University of Alberta with the degree of Bachelor of Science in the year 1930, that I obtained the degree of Master of Arts at the University of Toronto in the year 1931 and that I obtained the degree of Doctor of Philosophy in Geology from the University of Toronto in the year 1935;
2. that I am a Fellow of the Geological Society of America, a Member of the American Association of Petroleum Geologists, the Society of Exploration Geophysicists and the Society of Economic Paleontologists and Mineralogists and that I am a registered Professional Engineer for the Provinces of Alberta, Saskatchewan, British Columbia and Manitoba;
3. that I and my employees have no interest, directly or indirectly, nor do we expect to receive any interest, directly or indirectly, in the properties or securities of French Petroleum Company of Canada Ltd.; and
4. that the above report is based on my geological and other general knowledge of the areas described above and that of my Associates, and upon consideration of all available data on wells drilled in adjacent areas, and upon examination of electric logs and available production engineering data on wells in the vicinity of the aforementioned properties during May, 1957.

Calgary, Alberta, Canada, May 24, 1957.

(Sgd.) J. C. SPROULE, (Seal)
J. C. SPROULE, P.ENG.

Engineer's Report
McDANIEL CONSULTANTS LTD.
Oil and Gas Reservoir Evaluations

Calgary, Alberta,
May 22, 1957.

FRENCH PETROLEUM COMPANY OF CANADA LTD.,
718-8th Avenue West,
Calgary, Alberta.

Dear Sirs,

Pursuant to your request, we have made a study of the crude oil reserves of French Petroleum Company of Canada Ltd. (hereinafter called the "Company"). The principal oil producing interests of the Company are located in the Bonnie Glen and Pembina fields of Alberta and the Torquay area of Saskatchewan. The Company also has a royalty interest in a well which was recently completed in the Westward Ho field of Alberta. The presently reported producing characteristics of this well would indicate that a workover may be required and, therefore, these reserves were not included in this study.

The Company's gross proven remaining oil reserves before deducting royalties were estimated by employing the general methods adopted by the Canadian Petroleum Association Reserve Committee. The probable additional oil reserve estimates were based on reasonable interpretations of the possible beneficial effects of pressure maintenance. Cumulative oil production to April 30, 1957 was taken from Company records. The producing characteristics of the individual wells were reviewed. This information was employed to relate such characteristics to the oil reserve estimates.

The Company's estimated remaining crude oil reserves before deducting royalties as of April 30, 1957 have been given in the following table by fields:

Field	Company's share of gross remaining crude oil reserves in barrels before deducting royalties as of April 30, 1957.	
	Estimated proven	Estimated probable additional
Bonnie Glen.....	6,832,000	2,563,000
Pembina.....	409,400	477,600
Torquay.....	104,000	—
Total.....	<u>7,345,400</u>	<u>3,040,600</u>

The Company's share of the estimated gross proven remaining crude oil reserves as of April 30, 1957 is estimated to have a present value of \$8,830,000 before overhead and income taxes. A 5% discount factor was employed in these calculations. These values were based on the writer's opinion of future production and economics and therefore do not necessarily indicate market value. It will also be noted that no values were assigned to the probable additional crude oil reserves estimated because of the intangible nature of such reserves.

It will be noted that in the Torquay area only the presently drilled wells were considered in this study. The report does not give effect to the Company's acquisition of proven and semi-proven acreage in the Sundre, Harmattan-Elkton and Weyburn fields at recent Crown auctions.

The extent and character of ownership and all other factual data supplied by the Company were accepted as represented.

Respectfully submitted,
McDANIEL CONSULTANTS LTD.
Per (Sgd.) R. R. McDANIEL, (C.S.)
President.

Certificate

I, RODERICK ROGERS McDANIEL, Petroleum Engineer, 231-8th Avenue West, Calgary, Alberta, Canada, hereby certify:

1. that I am the President of McDaniel Consultants Ltd. which company did prepare a report upon certain properties of French Petroleum Company of Canada Ltd. during the months of April and May, 1957, and that I as such President supervised the preparation of such report;
2. that McDaniel Consultants Ltd., its officers or employees have no direct or indirect interest, nor do they expect to receive any direct or indirect interest, in the properties of French Petroleum Company of Canada Ltd. or in any securities of that company;
3. that I attended the University of Alberta in the years 1944 and 1945 and the University of Oklahoma in the years 1945 to 1947, that I graduated with a Bachelor of Science degree in Petroleum Engineering from the University of Oklahoma, that I am a member of the Canadian Institute of Mining and Metallurgy, that I am a registered Professional Engineer in the Provinces of Alberta and Saskatchewan and that I have in excess of nine years' experience in oil and gas reservoir studies and evaluations of Western Canadian fields; and
4. that a personal field examination of the Company's properties was not made as it was deemed unnecessary in view of my personal knowledge of the general reservoir conditions and characteristics of the fields and areas in question and the volume and accuracy of the records supplied.

Calgary, Alberta, Canada, May 22, 1957.

(Sgd.) R. R. McDANIEL (Seal)
R. R. McDANIEL, P.ENG.

FRENCH PETROLEUM COMPANY OF CANADA LTD.

Balance Sheet and Pro Forma Balance Sheet

as at April 30, 1957

ASSETS		
	Balance sheet	Pro forma balance sheet
CURRENT ASSETS:		
Cash.....	\$ 192,372	\$15,085,543
Accounts receivable—		
Trade.....	107,983	107,983
Participants in joint ventures.....	233,171	233,171
Employees.....	30,228	30,228
Sundry deposits and advances.....	21,737	21,737
Inventories—		
Crude oil, at market.....	3,566	3,566
Materials and supplies, at cost.....	362,292	362,292
Prepaid expenses.....	22,512	22,512
	<u>973,861</u>	<u>15,867,032</u>
REFUNDABLE RESERVATION DEPOSITS.....	<u>110,000</u>	<u>110,000</u>
CAPITAL ASSETS, at cost:		
Petroleum and natural gas interests—		
Producing properties.....	3,452,589	3,452,589
Less: Accumulated depletion.....	(88,260)	(88,260)
Non-producing properties.....	6,829,317	6,829,317
Production equipment.....	252,789	252,789
Less: Accumulated depreciation.....	(14,709)	(14,709)
Other capital assets.....	164,097	164,097
Less: Accumulated depreciation.....	(13,476)	(13,476)
	<u>10,582,347</u>	<u>10,582,347</u>
ORGANIZATION AND CAPITAL STOCK ISSUE EXPENSES.....	<u>7,580</u>	<u>1,132,580</u>
	<u>\$11,673,788</u>	<u>\$27,691,959</u>
LIABILITIES		
	Balance sheet	Pro forma balance sheet
CURRENT LIABILITIES:		
Bank loans.....	\$ 972,889	\$ —
Accounts payable and accrued.....	521,941	521,941
	<u>1,494,830</u>	<u>521,941</u>
COMPAGNIE FRANÇAISE DES PÉTROLES, SOCIÉTÉ ANONYME:		
Payable re purchase of properties—Note (1).....	9,082,183	—
Payable re advances—Note (2)(c).....	1,960,176	—
	<u>11,042,359</u>	<u>—</u>
CAPITAL STOCK:		
Participating Preferred Shares of the par value of \$10 each—Notes (2)(d), (3) and (4)—		
Authorized—4,000,000 shares.....	<u>\$40,000,000</u>	
To be issued—Notes (2)(e) and (f)—		
1,580,000 shares of the par value of \$10 each.....	—	15,800,000
Ordinary shares of the par value of \$1.00 each—		
Authorized—25,000,000 shares		
(increased from 15,000,000 shares on June 18, 1957—Note (2)(d)).....	<u>\$25,000,000</u>	
Issued—		
7 shares for cash.....	7	7
To be issued—		
9,082,183 shares for properties—Notes (1) and (2)(a).....	—	9,082,183
1,632,761 shares for advances—Note (2)(c) .	—	1,632,761
555,597 shares for cash —Note (2)(b) .	—	555,597
	<u>11,270,548 shares</u>	
Premium on ordinary shares.....	—	962,878
	<u>7</u>	<u>28,033,426</u>
DEFICIT.....	(863,408)	(863,408)
	<u>\$11,673,788</u>	<u>\$27,691,959</u>

The notes on the following page are an integral part of the foregoing balance sheets.

Approved on behalf of the Board:

(Sgd.) H. DE CIZANCOURT, Director

(Sgd.) J. J. SAUCIER, Director

FRENCH PETROLEUM COMPANY OF CANADA LTD.

Notes to the Balance Sheet and Pro Forma Balance Sheet

as at April 30, 1957

BALANCE SHEET:

- (1) Under agreement dated as of October 31, 1956, as amended, the Company acquired, as of that date, all of the assets, amounting to \$9,749,009, of the Canadian operations of Compagnie Française des Pétroles, Société Anonyme, for a consideration to be satisfied by the assumption of the liabilities, amounting to \$666,826, pertaining to such operations and the allotment and issue of 9,082,183 fully paid shares of its capital stock at the price of \$1.00 per share. The basis of the foregoing transaction in the case of capital assets represented cost (less a minor amount for amortization of leasehold improvements on premises occupied) and, for other assets and for liabilities, represented actual value. In accordance with the accounting policies followed by the vendor company to October 31, 1956 for its Canadian operations, the cost of capital assets included all expenditures from the inception of such operations late in 1953 for geological and geophysical surveys, dry holes and lease and reservation rentals on non-producing properties with the exception of certain survey expenditures that did not result in the retention of properties and which, together with costs of properties abandoned, had been written off. Under the accounting policies for properties followed by the Company since November 1, 1956, geological and geophysical costs which result in the retention of properties are capitalized with the cost of properties; lease and reservation rentals and other carrying charges on non-producing properties are charged to income as incurred; dry hole costs (including costs of uncompleted drilling projects at October 31, 1956 which prove unproductive) are written off when the status of the well is determined except in respect of wells drilled to earn an interest in property in which case the amount of the cost of such wells which represents the Company's proportionate share of such cost in ratio to its earned interest is written off and the balance of its costs is treated as an acquisition cost; and the costs of abandoned properties are written off at the time of surrender. Acquisition costs, exclusive of other capitalized expenditures, amounted to \$9,917,946 for the properties acquired to April 30, 1957 described in paragraphs (M) (1) to (9), inclusive, in the Statutory Information.

PRO FORMA BALANCE SHEET:

- (2) The pro forma balance sheet gives effect as at April 30, 1957 to the following:
- (a) the allotment and issue on June 17, 1957 to Compagnie Française des Pétroles, Société Anonyme, of the 9,082,183 shares (as then constituted) referred to in Note 1 above;
 - (b) the subscription for, allotment and issue on June 17, 1957 of 555,597 fully paid shares of the par value of \$1.00 each (as then constituted) in the capital of the Company at a price of \$1.44 per share;
 - (c) the liquidation of advances from Compagnie Française des Pétroles, Société Anonyme, in the amount of \$1,960,176 to April 30, 1957 and a further \$391,000 in the month of May, 1957 in consideration of the allotment and issue on June 17, 1957 to that company of 1,632,761 fully paid shares of the par value of \$1.00 each (as then constituted) in the capital of the Company;
 - (d) the issue of supplementary letters patent dated June 18, 1957, amongst other things, redesignating the shares of the par value of \$1.00 each in the capital of the Company as ordinary shares of the par value of \$1.00 each and increasing the authorized share capital of the Company to \$65,000,000 by (i) increasing the number of such ordinary shares from 15,000,000 to 25,000,000 shares and (ii) creating 4,000,000 Participating Preferred Shares of the par value of \$10 each;
 - (e) the subscription for, allotment and issue of 80,000 fully paid Participating Preferred Shares of the par value of \$10 each in the capital of the Company at a price of \$10 per share;
 - (f) the allotment, issue and sale to an underwriter of 1,500,000 fully paid Participating Preferred Shares of the par value of \$10 each in the capital of the Company at a price of \$10 per share;
 - (g) the payment of a commission of 70 cents per share out of the proceeds of the sale of shares in (f) above and the payment of estimated legal, audit and other expenses of issue amounting to \$75,000 out of the general funds of the Company; and
 - (h) the retirement prior to the issue of the shares referred to in (e) and (f) above of bank loans in the amount of \$972,889 and the inclusion as cash of the balance of the net proceeds of the share issues referred to in (b), (e) and (f) above.
- (3) The Participating Preferred Shares are non-callable and are entitled to non-cumulative, preferential dividends, if and when declared by the directors, aggregating 60 cents per annum in priority to dividends on the ordinary shares. Reference is made to the rights and preferences of the Participating Preferred Shares set forth in paragraph (D) of the Statutory Information.
- (4) Under date of June 17, 1957 the Company granted options to Compagnie Française des Pétroles, Société Anonyme, to purchase at par 100,000 Participating Preferred Shares during the period from October 1, 1957 to September 30, 1960 and a further 100,000 such shares at par during the period from October 1, 1957 to November 1, 1957.

TO THE DIRECTORS,

FRENCH PETROLEUM COMPANY OF CANADA LTD.:

We have examined the balance sheet and pro forma balance sheet of French Petroleum Company of Canada Ltd. as at April 30, 1957 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet, supplemented by the note thereto, presents fairly the financial position of the Company as at April 30, 1957, according to the best of our information and the explanations given to us and as shown by the books of the Company.

It is also our opinion that the pro forma balance sheet presents fairly the financial position of the Company as at April 30, 1957 after giving effect as of that date to the transactions referred to in Note (2) to the pro forma balance sheet.

CALGARY, ALBERTA, CANADA, June 20, 1957.

(Sgd.) PRICE WATERHOUSE & Co.,
Chartered Accountants.

FRENCH PETROLEUM COMPANY OF CANADA LTD.
and its Predecessor
COMPAGNIE FRANÇAISE DES PÉTROLES, SOCIÉTÉ ANONYME (CANADIAN BRANCH)

STATEMENT OF PROFIT AND LOSS

	Compagnie Française des Pétroles, Société Anonyme (Canadian Branch) (note 2)		French Petroleum Company of Canada Ltd.		
	October 15, 1953 to December 31, 1954	Year ended December 31, 1955	Ten months ended October 31, 1956	Two months ended December 31, 1956	Four months ended April 30, 1957
INCOME:					
Oil sales, less royalties	\$ 16,695	\$199,769	\$166,805	\$ 97,374	\$223,233
Miscellaneous	6,637	22,767	19,379	3,362	1,655
	<u>23,332</u>	<u>222,536</u>	<u>186,184</u>	<u>100,736</u>	<u>224,888</u>
EXPENSES:					
Well operating costs	1,511	36,308	22,879	10,559	13,423
Administration	113,206	116,761	129,773	38,170	74,859
Geological—departmental	111,384	125,590	90,023	19,026	47,325
Geophysical—departmental	—	15,791	22,519	4,158	8,315
Production—departmental	—	9,241	23,224	8,475	20,294
	<u>226,101</u>	<u>303,691</u>	<u>288,418</u>	<u>80,388</u>	<u>164,216</u>
	<u>(202,769)</u>	<u>(81,155)</u>	<u>(102,234)</u>	<u>20,348</u>	<u>60,672</u>
OTHER CHARGES:					
Lease and reservation rentals . . .	—	—	—	112,042	184,979
Dry holes	—	—	—	112,325	65,923
Unproductive exploration and losses on properties abandoned or sold	75,116	317,727	—	276,591	78,025
Depletion	—	—	—	29,004	59,256
Depreciation	—	2,084	—	10,161	16,122
	<u>75,116</u>	<u>319,811</u>	<u>—</u>	<u>540,123</u>	<u>404,305</u>
Loss for the period	<u>\$277,885</u>	<u>\$400,966</u>	<u>\$102,234</u>	<u>\$519,775</u>	<u>\$343,633</u>

NOTES:

- (1) As net income was not earned during the period, no income taxes are exigible.
- (2) The Company follows the policy of charging to income lease and reservation rentals and other carrying charges on non-producing properties and of writing off dry hole costs when the status of the well is determined except in respect of wells drilled to earn an interest in property in which case the amount of the cost of such well which represents the Company's proportionate share of such cost in ratio to its earned interest is written off and the balance of its costs is treated as an acquisition cost, whereas the Predecessor capitalized such items as cost of properties; depreciation and depletion have also been provided by the Company but not by the Predecessor. If the Predecessor had followed the same policy as the Company, the following additional charges to revenue would have arisen; 1954—\$23,868; 1955—\$398,089; 1956 (to October 31)—\$771,686.

TO THE DIRECTORS,
FRENCH PETROLEUM COMPANY OF CANADA LTD.:

We have examined the above statement of profit and loss of French Petroleum Company of Canada Ltd. and of its Predecessor, Compagnie Française des Pétroles, Société Anonyme (Canadian Branch), for the period from October 15, 1953 to April 30, 1957. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the above statement, supplemented by the notes thereto, presents fairly the results of operations of the Company and its Predecessor for the above-mentioned period.

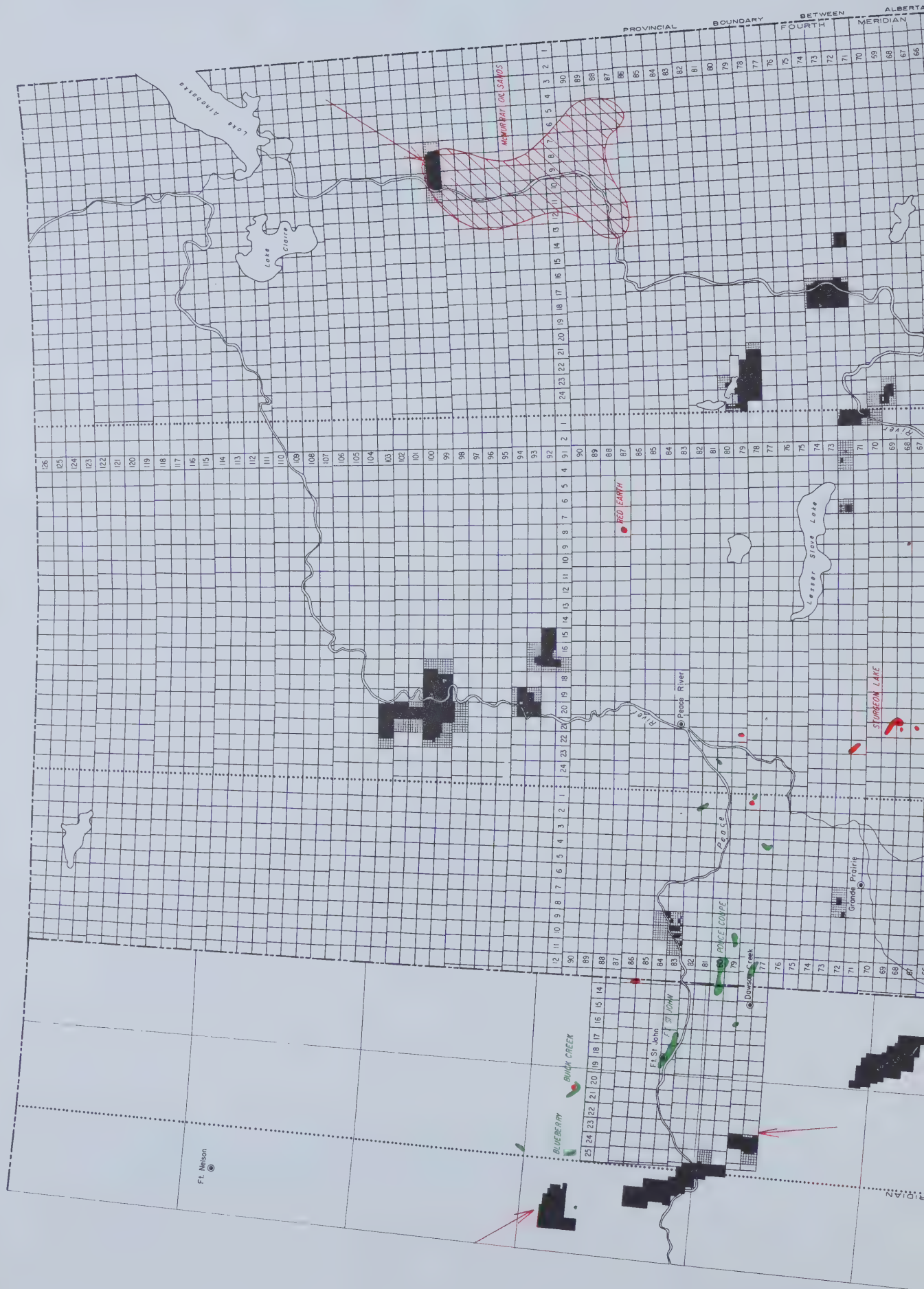
CALGARY, ALBERTA, CANADA, June 20, 1957.

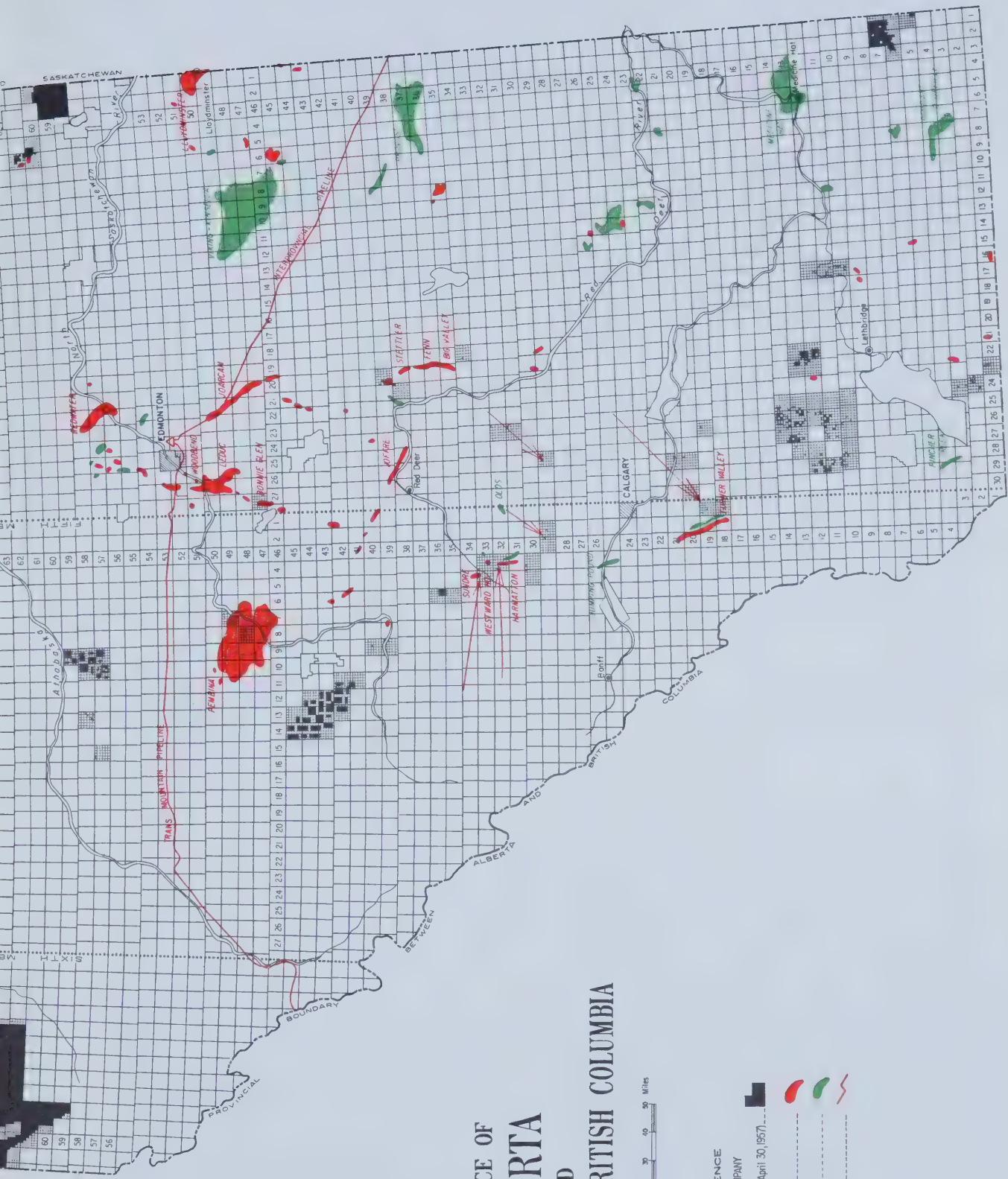
(Sgd.) PRICE WATERHOUSE & Co.,
Chartered Accountants.

MAPS
OF
THE PROPERTIES
OF
FRENCH PETROLEUM OF CANADA LTD.
AS AT
APRIL 30, 1957



The cross-hatching on the following maps is included merely to show more accurately the location of the various properties in which French Petroleum Company of Canada Ltd. has or has the right to acquire working interests, such properties being designated in solid black.





PROVINCE OF ALBERTA AND NORTHEASTERN BRITISH COLUMBIA

Scale 0 10 20 30 40 50 Miles

REFERENCE

FRENCH PETROLEUM COMPANY
OF CANADA LTD.
LAND HOLDINGS (As of April 30, 1957)

- OIL FIELDS
- GAS FIELDS
- OIL PIPELINES

PROVINCE OF SASKATCHEWAN

Scale 0 10 20 30 40 50 Miles

REFERENCE

FRENCH PETROLEUM COMPANY
OF CANADA LTD.
LAND HOLDINGS (As of April 30, 1957.)

OIL FIELDS

GAS FIELDS

OIL PIPELINE



Statutory Information

(A) The full name of the Company is French Petroleum Company of Canada Ltd. (hereinafter called the "Company"). The Company was incorporated under the laws of Canada by letters patent dated September 21, 1956. Supplementary letters patent dated June 18, 1957 have been issued to the Company. The address of the Company's head office is 718-8th Avenue West, Calgary, Alberta, Canada.

(B) The names in full, descriptions or present occupations and home addresses in full of the directors and officers of the Company and the names and addresses of the promoter and auditors of the Company are as follows:

Directors

JACQUES CHARLES VICTOR BENEZIT.....	Oil Executive.....	89 Avenue de Villiers, Paris, France.
FREDERIC RENÉ BERBIGIER.....	Oil Executive.....	6 Rue des Marronniers, Paris, France.
HENRI JEAN MAURICE CHAMPIN.....	Manager.....	83 Quai D'Orsay, Paris, France.
HENRI CHARLES MARIE EVREMOND DE CIZANCOURT.....	Oil Executive.....	701 Hillcrest Avenue, Calgary, Alberta, Canada.
WILFRID GAGNON.....	Executive.....	285 Outremont Avenue, Outremont, Quebec, Canada.
PHILIP REGINALD PAYN.....	Investment Dealer.....	Como, Quebec, Canada.
JOHN JAMES SAUCIER, Q.C.....	Lawyer.....	2226 Amherst Street, Calgary, Alberta, Canada.

Officers

HENRI CHARLES MARIE EVREMOND DE CIZANCOURT.....	President.....	701 Hillcrest Avenue, Calgary, Alberta, Canada.
WILLIAM TYLER HAMILTON.....	Vice-President and Secretary.....	916 Crescent Boulevard, Calgary, Alberta, Canada.
HENRI JEAN MAURICE CHAMPIN.....	Vice-President and Assistant Secretary	83 Quai D'Orsay, Paris, France.
ROLAND LOUIS HENRI TASSIN DE MONTAIGU.....	Treasurer.....	2724-3rd Avenue Northwest, Calgary, Alberta, Canada.

Promoter

COMPAGNIE FRANÇAISE DES PÉTROLES, SOCIÉTÉ ANONYME.....	11 rue de Docteur-Lancereaux, Paris, France.
--	---

Auditors

MESSRS. PRICE WATERHOUSE & Co.....	Chartered Accountants.....	301-8th Avenue West, Calgary, Alberta, Canada.
------------------------------------	----------------------------	---

Montreal Trust Company at its offices in the Cities of Halifax, Montreal, Toronto, Calgary and Vancouver, Canada, is the transfer agent for the Participating Preferred Shares of the Company and The Royal Trust Company at its offices in the said Cities is the registrar for such shares. The Company at its office in the said City of Calgary acts as the registrar and transfer agent for the ordinary shares of the Company.

(C) The general nature of the business actually transacted or to be transacted by the Company is the exploration for and development and production of oil and natural gas.

(D) The authorized capital of the Company consists of \$65,000,000 divided into 4,000,000 Participating Preferred Shares of the par value of \$10 each and 25,000,000 ordinary shares of the par value of \$1.00 each, of which 11,270,548 ordinary shares have been issued and are outstanding as fully paid and non-assessable.

The Participating Preferred Shares and the ordinary shares respectively carry and are subject to the respective voting rights, preferences, rights to dividends, profits or capital, rights on liquidation, or distribution of capital assets, there being no conversion, exchange or redemption rights, as follows:

"The said participating preferred shares (hereinafter referred to as the 'preferred shares') and the said ordinary shares shall respectively carry and be subject to the following preferences, priorities, rights, privileges, restrictions, limitations and conditions, that is to say:—

(a) **DIVIDENDS.** The holders of record of the preferred shares shall, subject as hereinafter provided, be entitled to receive in each fiscal year of the Company, if and when declared by the directors of the Company, fixed non-cumulative preferential dividends aggregating sixty cents (60¢) per share per annum and no dividend shall at any time be declared and paid or set apart for payment in any fiscal year of the Company on the ordinary shares of the Company unless dividends at the rate of at least sixty cents (60¢) per annum on each preferred share outstanding at the time of the declaration of any dividend on the ordinary shares shall have been declared and paid or set apart for payment during such fiscal year.

After dividends at the rate of at least sixty cents (60¢) per annum on each preferred share outstanding at the time of the declaration in any fiscal year of the Company of any dividend on the ordinary shares have been declared and paid or set apart for payment during such fiscal year, the holders of record of the ordinary shares shall, subject as hereinafter provided, be entitled to receive in such fiscal year, if and when declared by the directors of the Company, fixed non-cumulative dividends aggregating nine cents (9¢) per share per annum.

Whenever in any fiscal year of the Company, dividends at the rate of at least sixty cents (60¢) per annum on each preferred share and dividends at the rate of at least nine cents (9¢) per annum

on each ordinary share outstanding at the time of the declaration of any additional dividends herein-after referred to shall have been declared and paid or set apart for payment, all additional dividends which may, in the discretion of the directors of the Company, be declared in such fiscal year shall be declared and paid or set apart for payment on all outstanding preferred shares and ordinary shares in such proportions that the amount of such additional dividends on each preferred share shall be six (6) times as much as the amount of such additional dividends on each ordinary share, without preference of one share or class of shares over another.

All obligations of the Company in respect of undeclared dividends on the preferred shares and on the ordinary shares respectively with respect to any fiscal year of the Company shall be automatically extinguished by the mere fact of expiry of such fiscal year.

Wherever used herein, the words 'dividends at the rate of at least' . . . followed by reference to a specified sum . . . 'per annum' mean, in respect of any share, dividends computed at least at the specified rate for the number of days during which such share was outstanding during the fiscal year or other period in respect of which the computation is being made. Nothing herein contained or implied shall require pro-ratio of dividends in respect of any shares not outstanding for the whole of any fiscal year or other period for or in respect of which such dividends are being declared. The directors of the Company may however, in their discretion, pro-rate dividends in respect of any shares not outstanding for the whole of any fiscal year or other period for or in respect of which dividends are being declared if such right of pro-ratio was reserved by the Company at the time of the allotment and issue of such shares.

All dividends declared on the preferred shares or on the ordinary shares shall be payable at such time or times, in such amounts and in such manner and at such place or places as the directors of the Company may from time to time determine.

For dividend purposes, the holders of record of shares represented by outstanding bearer share warrants, if any, shall be and be deemed to be the bearers for the time being of such share warrants but subject to the provisions for the time being attaching to such warrants with respect to the payment of dividends by coupon.

(b) LIQUIDATION. In the event of the liquidation or dissolution of the Company or any distribution of capital, no sum shall be paid to nor shall any assets be distributed among the holders of the ordinary shares until there shall have been paid to the holders of the preferred shares an amount equal to the par value of the preferred shares held by them respectively, plus an amount equal to any dividends then declared thereon and remaining unpaid, and the holders of the preferred shares shall be entitled to be paid equally and ratably all such moneys out of the assets of the Company by preference over and in priority to the holders of the ordinary shares. After payment to the holders of the preferred shares of the amount so payable to them the holders of the ordinary shares shall be entitled to be paid an amount equal to one and one-half ($1\frac{1}{2}$) times the par value of the ordinary shares held by them respectively, plus an amount equal to any dividends then declared thereon and remaining unpaid. After payment to the holders of the preferred shares and of the ordinary shares of the amounts so payable to them respectively, all the remaining property and assets of the Company shall be distributed amongst the holders of the preferred shares and ordinary shares in such proportions that the amount of such remaining property and assets so distributed on each preferred share shall be six (6) times as much as the amount of such remaining property and assets so distributed on each ordinary share, without preference of one share or class of shares over another.

(c) VOTING. The holders of the preferred shares and of the ordinary shares shall, at all meetings of shareholders, have one (1) vote for each outstanding preferred share or ordinary share held by them respectively.

(d) RESTRICTIONS. The Company shall not, except with the approval of the holders of the preferred shares and the ordinary shares for the time being outstanding voting at separate meetings and upon compliance with any relevant provisions of the laws governing the Company, (i) create any shares ranking in priority to or *pari passu* with said preferred shares or ordinary shares or (ii) issue any ordinary shares for a consideration (whether payable in money or other than money) equal to or having a value, at the date of the adoption of the directors' resolution allotting such shares, of less than one dollar and fifty cents (\$1.50) per ordinary share so issued, provided, however, that (aa) such restriction shall not apply to any ordinary shares issued pursuant to options or agreements to purchase shares of the Company now existing or created prior to the eighteenth (18th) day of June, one thousand nine hundred and fifty-seven (1957), and (bb) in the case of the issue of ordinary shares for a consideration payable in other than money, the directors of the Company shall have full power, by resolution, to determine for purposes of this clause (ii) the amount or value of any such consideration and such determination shall be final and binding or (iii) subdivide or change the preferred or ordinary shares into a greater number of shares or (iv) voluntarily liquidate or dissolve the Company or (v) repeal, amend or otherwise alter any of the provisions contained in sections (a) to (c) hereof or in this section.

Any approval of the holders of any class of shares required under the foregoing shall be deemed to have been sufficiently given if contained in a resolution passed by at least two-thirds ($\frac{2}{3}$) of the votes cast at a special meeting of the holders of such class of shares called for the purpose upon not less than fifteen (15) days' notice and at which meeting not less than two-fifths ($\frac{2}{5}$) of the outstanding shares of such class are present in person or represented by proxy. In the event that the holders of not less than two-fifths ($\frac{2}{5}$) of the outstanding shares of such class are not present or represented by proxy within one-half ($\frac{1}{2}$) hour after the time appointed for the meeting, the meeting shall be adjourned to a date not less than fifteen (15) days later and not less than seven (7) days' notice of such adjourned meeting shall be given. At such adjourned meeting the holders of shares of such class present in person or represented by proxy may transact the business for which the meeting was originally called and a resolution passed thereat by not less than two-thirds ($\frac{2}{3}$) of the votes cast shall constitute the approval of the holders of such class of shares hereinbefore referred to. Any approval given in this manner shall be binding upon all the holders of such class of shares."

Under its charter, the Company is authorized to issue, but only from and after a date to be determined by resolution of the directors of the Company, bearer share warrants in respect of fully paid-up shares of its capital stock.

(E) Particulars of the securities covered by options outstanding or proposed to be given and the prices at which and the dates by which such options must be exercised are as follows:—

(a) Under date of June 17, 1957 the Company granted to Compagnie Française des Pétroles, Société Anonyme, (hereinafter sometimes called "C.F.P.") an option to purchase at par 100,000 Participating Preferred Shares in the capital of the Company during the period from October 1, 1957 to September 30, 1960, both dates inclusive. It is the intention to grant sub-options or assign this option to the extent of a specified number of shares in each case to certain officers, directors and/or employees of the Company or otherwise make such shares available to personnel of the Company on terms and conditions to be determined by the directors of the Company. Neither the names of the individuals concerned nor the number of shares to be so made available to each have been determined at the date hereof.

(b) Under date of June 17, 1957, the Company also granted to C.F.P. an option to purchase for its own account at par a further 100,000 Participating Preferred Shares in the capital of the Company during the period from October 1, 1957 to November 1, 1957.

Under an agreement dated June 20, 1957 between the Company and W. C. Pitfield & Company, Limited, as underwriter, the Company agreed to sell and the said underwriter agreed to buy, on its own behalf, 1,500,000 of the Participating Preferred Shares offered by this prospectus at the price of \$10 per share payable against delivery on or about July 8, 1957 upon and subject to the terms and conditions set forth in the said agreement and subject to the payment by the Company to the said underwriter of a commission of 70 cents per share. The said underwriter may have associated with it other Canadian dealers for the public distribution of the shares referred to in such agreement in which event the said dealers may acquire Participating Preferred Shares at a net price less than the then offering price to the public.

The balance of 80,000 Participating Preferred Shares offered by this prospectus is being sold privately at the price of \$10 per share payable against delivery on or about July 8, 1957. No commission is payable with respect to such sale.

(F) The number of securities offered by this prospectus and their correct descriptive title and the issue price to the public and the terms thereof are as stated on the face of this prospectus to which reference is hereby expressly made. No amount is payable on the application for and the allotment of such securities but the issue price is payable on delivery thereof in interim form. The amount payable to the Company on the issue of said securities is disclosed in paragraph (E) hereof. Since the date of incorporation, the Company has allotted and issued shares (as constituted prior to June 18, 1957) in the capital of the Company as follows:

- (i) 7 shares at the price of \$1.00 per share aggregating \$7.00 paid in cash to the Company,
- (ii) 9,082,183 shares at the price of \$1.00 per share for properties all as more particularly set forth in paragraph (M) (1) hereof,
- (iii) 555,597 shares at the price of \$1.44 per share aggregating \$800,060 paid in cash to the Company, and
- (iv) 1,632,761 shares at the price of \$1.44 per share in consideration of the liquidation of advances from C.F.P. in the amount of \$1,960,176 on the balance sheet of the Company as at April 30, 1957 in this prospectus and a further \$391,000 in the month of May, 1957.

No commission has been paid on the sale of the foregoing shares.

No securities other than shares have been sold for cash to the date hereof.

(G) The net proceeds to the Company from the sale of the securities offered by this prospectus amounting to \$14,750,000 after payment of the commission referred to in paragraph (E) hereof will be used to carry on and expand the Company's exploration, development and other operations, including development of the Company's acreage and acquisition of oil reserves and additional acreage through purchase or otherwise, and for general corporate purposes.

The foregoing constitutes the future development and exploration plans of the Company's management insofar as they can be presently determined.

(H) The aggregate remuneration paid by the Company during its last financial period ended December 31, 1956 to directors of the Company, as such, was nil, to officers of the Company, as such, who individually were entitled to receive remuneration at a rate in excess of \$10,000 per annum was \$ 9,962 and to officers of the Company, as such, was \$9,962. The aggregate remuneration estimated to be paid by the Company during the current financial year to directors of the Company, as such, is \$9,000, to officers of the Company, as such, who individually are or may be entitled to receive remuneration in excess of \$10,000 per annum is \$56,790 and to officers of the Company, as such, is \$56,790.

(I) The estimated net proceeds to be derived by the Company from the sale of the securities offered by this prospectus on the basis of the same being fully taken up and paid for is \$14,750,000 after payment of the commission referred to in paragraph (E) hereof. Legal, audit and other expenses in connection with the issue and sale of such securities, estimated at \$75,000, will be paid out of the general funds of the Company.

(J) In the opinion of the directors of the Company no minimum amount must be raised by the issue of the Participating Preferred Shares offered by this prospectus in order to provide the sums required

- (i) to defray the purchase price of any property purchased or to be purchased by the Company,
- (ii) to pay any preliminary expenses payable by the Company,
- (iii) to pay any commissions payable by the Company to any person in consideration of his agreeing to subscribe for or procuring or agreeing to procure subscriptions for any shares in the Company, other than the commission referred to in paragraph (E) hereof,
- (iv) to repay any moneys borrowed by the Company in respect of the foregoing matters, or
- (v) to repay any bank loans.

(K) Except for the commission referred to in paragraph (E) hereof, no amount has been paid since the date of incorporation of the Company or is payable as a commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or debentures of the Company.

(L) The amount of the preliminary expenses of the Company including expenses in respect of its incorporation and organization is \$7,580, no amount of which is for administrative and development expenses. Since the date of incorporation the amount of administrative expense has been \$113,029 and the amount

of development expense has been \$798,769 (excluding cost of abandoned projects and losses on disposals). The estimated future expenditures in each case are not presently determinable.

(M) The Company has not purchased or acquired, nor does it propose to purchase or acquire, any property the purchase price of which is to be defrayed in whole or in part out of the proceeds of the sale of the securities offered by this prospectus, or has been paid since the date of incorporation of the Company or is to be paid in whole or in part in securities of the Company, or the purchase or acquisition of which has not been completed as of the date hereof, other than:

- (1) Under agreement dated as of October 31, 1956 and amendments thereto dated as of February 28, 1957 and June 17, 1957 the Company purchased from C.F.P., 11 rue de Docteur-Lancereaux, Paris, France, all the assets of C.F.P. situated in the Provinces of Saskatchewan, Alberta and British Columbia for \$9,749,009.17 being the aggregate of the actual cost thereof to C.F.P. less only amortization of the leasehold improvements as specified in the said agreement, which was paid and satisfied (i) to the extent of \$666,826.17 by the assumption of debts and liabilities of C.F.P. incurred in connection with the business carried on in the said provinces and (ii) to the extent of the balance of \$9,082,183 by the issue and allotment to C.F.P. of 9,082,183 fully paid and non-assessable shares of the par value of \$1.00 each (as then constituted) in the capital of the Company. The assets acquired consisted of (i) cash, accounts receivable, inventory and other assets of a current nature amounting to \$760,083.98, (ii) miscellaneous assets amounting to \$217,323.55 and (iii) the petroleum and natural gas leases and reservations and mineral rights shown on the maps forming part of this prospectus (other than those marked with an arrow) amounting to \$8,771,601.64.

Pursuant to the agreement referred to above, the Company, subject to the assumption and completion of work obligations not then entirely fulfilled, acquired the interests of C.F.P. under the following, namely; an agreement dated November 1, 1955, as amended, with Shell Oil Company, 1744 Cornwall Street, Regina, Saskatchewan, an agreement dated December 23, 1955 with Richfield Oil Corporation, 320-7th Avenue West, Calgary, Alberta, and an option dated January 13, 1956 from Canadian Superior Oil of California, Ltd., 627-8th Avenue West, Calgary, Alberta. Under the first agreement the Company, by completing three of four test wells to be drilled, acquired an undivided 50% interest in Saskatchewan Crown Leases PN 831—PN 882, inclusive, covering 259,856 acres, Estevan area, township 1, ranges 8-14, township 2, ranges 9-14, township 3, ranges 9-13 and township 4, ranges 10-12, all west of the 2nd meridian, proportionately subject to Saskatchewan Crown royalties and a 2½% gross royalty. Under the second agreement the Company, on completion of a test well now being drilled, will acquire, proportionately subject to British Columbia Crown royalties, a 2½% gross royalty and a 30% net carried interest, a 50% undivided interest in British Columbia Crown Permits 34, 36, 37, 53, 54, 60, 61, 79 and 80 covering approximately 217,000 acres, Stony Lake area, British Columbia. Under the option the Company, acting jointly with Canadian Oil Companies, Limited, acquired, proportionately subject to a 12½% royalty, a 25% working interest in three freehold leases covering 640 acres, Torquay area, Saskatchewan, comprising northeast quarter, section 17, and south half and northeast quarter, section 21, all in township 3, range 11, west of the 2nd meridian, by participating in the drilling of a test well.

- (2) By assignments dated December 6, 1956 the Company purchased from Transalta Minerals Ltd., 627-8th Avenue Southwest, Calgary, Alberta, a 100% working interest, subject to a 12½% royalty, in freehold leases covering 160 acres in the High River area of Alberta and being the southwest quarter of section 21, township 19, range 1, west of the 5th meridian for an aggregate consideration of \$6,400.
- (3) By a lease dated March 27, 1957 from Her Majesty the Queen in the right of the Province of Alberta, Department of Mines and Minerals, Edmonton, Alberta, the Company acquired a 100% working interest, subject to Alberta Crown royalty, in 637 acres in the Acme area of Alberta and being section 28, township 29, range 26, west of the 4th meridian for a consideration of \$1,944.44.
- (4) By leases dated May 2, 1957 from Her Majesty the Queen in the right of the Province of Alberta the Company acquired a 100% working interest, subject to Alberta Crown royalties, in an aggregate of 481 acres in the Harmattan-Elkton and Sundre fields and being the southeast quarter of section 30, township 32, range 4, and the west half of section 35, township 33, range 5, both west of the 5th meridian for an aggregate consideration of \$879,110.90.
- (5) By Bituminous Sands Prospecting Permit No. 38 dated April 1, 1957 the Company acquired from Her Majesty the Queen in the right of the Province of Alberta a 100% working interest, subject to Alberta Crown royalty, in the exploration rights covered by such permit on 49,988 acres in the McMurray area of Alberta and being sections 5-8, 17-20, S½ 29, section 30, S½ 31, township 99, range 7; sections 1-30, S½'s 31-36, township 99, range 8; sections 1-18, 20-28, S½'s 33-36, portions of sections 19, 29, 30 and S½ 32 lying south and east of the right bank of the Athabaska River, township 99, range 9; portions of sections 1, 12, 13, and 24 lying east of the right bank of the Athabaska River in township 99, range 10; all west of the 4th meridian, upon undertaking to explore the said permit lands.
- (6) By transfer of title dated December 4, 1956 and assignment of lease dated December 13, 1956 the Company acquired from Herbert Edwin Ford, North Surrey, British Columbia, (aa) all the mines and minerals (other than gold, silver, coal and valuable stone) on 240 acres in the southeast quarter and the south half of the southwest quarter of section 25, township 29, range 3, west of the 5th meridian, and (bb) all his rights in a certain petroleum and natural gas lease dated July 16, 1951 from the said Herbert Edwin Ford to Stanolind Oil and Gas Company (now Pan American Petroleum Corporation), affecting the said lands, the whole subject to the retention by the said Herbert Edwin Ford of a 6¼% gross royalty, for the payment of a cash consideration of \$3,500 exclusive of a commission of \$1,000.
- (7) By agreement dated January 17, 1957 the Company acquired from Bralsaman Petroleums Limited, 1158 Melville Street, Vancouver, British Columbia, and Canadian Oil Companies, Limited, 631-7th Avenue West, Calgary, Alberta, a 50% working interest, proportionately subject to British Columbia Crown royalty and a 25% net carried interest, in 49,930 acres in the Peace River District, British Columbia, under and as more particularly described in Crown Permit No. 211 in consideration of the assumption of the obligations to keep the said Permit in good standing under the regulations of the Province of British Columbia.

- (8) By agreement and assignment of Crown Permits Nos. 411, 646 and 658 dated January 25, 1957 the Company acquired from Prophet River Gas and Oil Co. Ltd. (Non Personal Liability), 401 Rogers Building, 470 Granville Street, Vancouver, British Columbia, a 50% working interest, proportionately subject to British Columbia Crown royalties plus a 4% gross royalty and the retention by the grantor of a 38% net carried interest, in 122,102 acres in northeast British Columbia as more particularly described in the aforementioned Permits in consideration of the payment of \$82,500 and the cost of participating in the drilling of two test wells.
- (9) By lease dated May 6, 1957 from Her Majesty the Queen in the right of the Province of Saskatchewan, Department of Mineral Resources, Regina, Saskatchewan, the Company acquired a 100% working interest in the rights down to and including the Lodgepole formation, subject to Saskatchewan Crown royalty, in 159 acres in the Weyburn field and being the northwest quarter of section 36, township 6, range 14, west of the 2nd meridian in consideration of the payment of \$172,889.49.
- (10) By assignment dated April 3, 1957, the Company acquired from Siebens Minerals Ltd., 703-5th Street Southwest, Calgary, Alberta, a 100% working interest, subject to Alberta Crown royalty and a 2½% gross royalty, in the Crown petroleum and natural gas lease relating to the northwest quarter of section 30, township 10, range 25, west of the 4th meridian, containing 159 acres, for a consideration of \$1,987.50.
- (11) By assignment dated April 30, 1957, the Company acquired from Alfred Groberman, 7087 Selkirk Street, Vancouver, British Columbia, a 100% working interest, subject to Alberta Crown royalty and a 2½% gross royalty in the Crown petroleum and natural gas lease relating to the southeast quarter of section 2, township 29, range 3, west of the 5th meridian, containing 160 acres, for a consideration of \$8,000.
- (12) By assignment dated May 7, 1957 the Company acquired from New British Dominion Oil Company Limited, 304 Toronto General Trusts Building, Calgary, Alberta, a 100% working interest, subject to Alberta Crown royalties and a 2½% gross royalty, in the Crown petroleum and natural gas lease relating to the northeast quarter of section 31, the north half of section 32 and the northwest quarter of section 33, all in township 68, range 15, and the west half of section 4, section 5, the east half of section 6, the southeast quarter of section 7, the south half of section 8, and the southwest quarter of section 9, all in township 69, range 15, all west of the 5th meridian, containing 2,560 acres, for a consideration of \$51,200.
- (13) By agreement dated May 13, 1957 the Company acquired from Canada-Cities Service Petroleum Corporation, 711-8th Avenue West, Calgary, Alberta, a 12½% working interest, proportionately subject to Alberta Crown royalty, in Alberta Crown drilling reservation No. 231, relating to the east half of section 9, the west half of section 10, the north half and the southeast quarter of section 14, the north half and southwest quarter of section 15, the north half and the southeast quarter of section 16, the north halves of sections 17 and 18, section 19, the south halves of sections 20, 21 and 22, the south half and the northeast quarter of section 23, the east half of section 26 and section 30, all in township 58, range 9, west of the 5th meridian, containing 5,760 acres, for a consideration of \$9,301.63.
- (14) By assignment dated May 6, 1957 the Company acquired from Siebens Minerals Ltd., 703-5th Street Southwest, Calgary, Alberta, a 100% working interest, subject to a 12½% royalty in the freehold petroleum and natural gas lease relating to part section 33, township 20, range 24, west of the 4th meridian, Alberta, containing 623.88 acres for a consideration of \$3,587.31.

The properties in (2) to (9) above are marked with arrows on the maps in this prospectus to which reference is hereby expressly made.

The foregoing properties in (1) to (14) above have been acquired prior to May 31, 1957 and constitute all properties then held under petroleum and natural gas reservations, permits, options, leases and the royalties and mineral rights acquired or intended to be acquired by the Company. The Company in the ordinary course of business is studying and investigating the possibilities of the acquisition of additional petroleum and natural gas working interests in respect of which no decisions have been made.

The nature of the title or interest acquired in the properties above is the varying working interests, subject to royalties, usual in petroleum and natural gas reservations, permits and leases.

The official designation and location of the properties in (1) to (9) above are as set forth therein and as shown on the maps in this prospectus to which reference is hereby expressly made and the official designation and location of the remaining properties of the Company are as set forth in (10) to (14) above. The Company's properties are held under petroleum and natural gas leases, reservations, permits or mineral rights which are subject to the applicable regulations of the Province in which the lands lie.

(N) The names and addresses of the vendors of the properties referred to in paragraph (M) hereof and the amounts paid in cash or securities of the Company to each are as set forth in the said paragraph (M), there being no amount paid for goodwill. The signatories hereto are not aware that any person has received or is to receive from any vendor a greater than five per cent interest in the consideration received or to be received by any of the vendors in paragraph (M) hereof.

(O) No securities, since the date of the Company's incorporation, have been issued, or agreed to be issued, as fully or partly paid up otherwise than in cash, except as set forth in paragraphs (F) and (M) hereof. The extent to which such securities are paid up and the consideration for which such securities have been issued are as set forth in paragraphs (F) and (M) hereof.

(P) No debentures are being offered by this prospectus.

(Q) No services have been rendered or are to be rendered to the Company which are to be paid for by the Company wholly or partly out of the proceeds of the securities offered by this prospectus or have since the date of the incorporation of the Company or are to be paid for by securities of the Company other than the commission referred to in paragraph (E) hereof and amounts included under paragraph (L) hereof. Reference is made to the option mentioned in paragraph (E)(a) hereof.

(R) No amount has been paid in cash and no shares have been issued to any promoter nor is any cash intended to be paid nor any shares intended to be issued to any promoter except as referred to in paragraphs (E), (F) and (M) hereof. The name and address of the promoter of the Company is as set forth in paragraph (B) hereof.

(S) The dates of and the parties to and the nature of every material contract entered into since the date of the Company's incorporation, other than contracts entered into in the ordinary course of business carried on by the Company, are as follows:

- (i) the agreements in paragraph (M) hereof to the extent that they are not in the ordinary course of business,
- (ii) the agreement dated June 20, 1957 between the Company and W. C. Pitfield & Company, Limited referred to in paragraph (E) hereof,
- (iii) the options referred to in paragraph (E) hereof, and
- (iv) the share subscriptions referred to in paragraphs (E) and (F) hereof.

Copies of the foregoing may be inspected during ordinary business hours at the office of the Company, 718-8th Avenue West, Calgary, Alberta, Canada, while the securities offered by this prospectus are in the course of primary distribution to the public.

(T) The by-laws of the Company provide for the remuneration of directors as follows:

"The remuneration to be paid to the directors shall be such as the Board may from time to time determine."

(U) No director or officer of the Company, directly or indirectly, personally or as a partner in a firm, has or has ever had any interest in the promotion of the Company or in any property acquired or presently proposed to be acquired by the Company, except that (aa) John James Saucier is a member of the legal firm of Messrs. Chambers, Might, Saucier, Milvain, Peacock, Jones & Black, which firm was paid a fee of \$5,662 by the Company for services rendered in connection with the incorporation of the Company and general services and will be paid an undetermined sum for services rendered to the Company as legal counsel and (bb) Jacques Charles Victor Benezit, Frederic René Berbigier, Henri Jean Maurice Champin and Roland Louis Henri Tassin de Montaigu are shareholders of C.F.P., which company is (i) the promoter of the Company, (ii) the vendor under the first agreement referred to in paragraph (M) (1) hereof, (iii) the subscriber for shares in consideration of the liquidation of \$2,351,176 of advances referred to in paragraph (F) hereof and (iv) the optionee under the options referred to in paragraph (E) hereof. Reference is also made to the option referred to in paragraph (E)(a) hereof to the extent that any director or officer of the Company may acquire an interest therein.

(V) The Company has no shares without nominal or par value.

(W) The business of the Company has been carried on since November 1, 1956. The Company has acquired all the assets of the Canadian branch of C.F.P., which branch has been carrying on business since October 15, 1953.

(X) By reason of beneficial ownership of securities of the Company, Compagnie Française des Pétroles, Société Anonyme, 11 rue de Docteur-Lancereaux, Paris, France, is in a position to, or is entitled to elect or cause to be elected a majority of the directors of the Company. The Government of France is the largest shareholder of C.F.P. having a 35% share interest carrying a 40% voting power at shareholders' meetings.

(Y) There are no bonds or debentures outstanding or proposed to be issued.

(Z) The signatories hereto are not aware that any shares or other securities of the Company are held in escrow.

(ZA) (i) Access to the greater part of the Company's properties is by road and/or by railway and to the remaining properties by air and to which roads will be built as required.

(ii) The character, extent and condition of underground exploration and development is the drilling of oil and/or natural gas wells and the underground plant and equipment consists only of tubing and casing in such wells.

(iii) The character, extent and condition of surface exploration and development is the making of geological and/or geophysical and core drilling surveys on some of the Company's properties and the surface plant and equipment owned by the Company consists of pipelines, separators, tankage and the usual system of controls used in the production of oil and gas.

(iv) The history of the Company's properties, known to the signatories hereto, is as referred to in paragraph (M) hereof and in the reports of Messrs. J. C. Sproule & Associates dated May 24, 1957 and of McDaniel Consultants Ltd. dated May 22, 1957 and the maps in this prospectus, to all of which reference is hereby expressly made.

(v) The work done and improvements made by the management of the Company consists of underground exploration and development of the nature referred to in (ZA) (ii) and surface exploration and development of the nature referred to in (ZA) (iii) hereof.

(ZB) Other than in the ordinary course of business the Company does not intend at the present time to create or assume any substantial indebtedness, which is not shown on the pro forma balance sheet of the Company as at April 30, 1957 in this prospectus.

(ZC) The principal business in which each director or officer has been engaged during the past three years and the length of time during the past three years, position held and name of the company or firm are as follows:

Director or officer	Principal business	Length of time during past three years	Position held	Name of company or firm
JACQUES CHARLES VICTOR BENEZIT...	Oil Executive	3 yrs.	Exploration and Production Manager	C.F.P.
FREDERIC RENÉ BERBIGIER.....	Oil Executive	3 yrs.	Financial Manager	C.F.P.

HENRI JEAN MAURICE CHAMPIN.....	Manager	3 yrs.	Manager Western Hemisphere Operations	C.F.P.
HENRI CHARLES MARIE EVREMOND DE CIZANCOURT.....	Oil Executive	2 yrs. and 4 mths. 8 mths.	Manager President	Canadian branch of C.F.P. Company
WILFRID GAGNON.....	Executive	3 yrs.	Chairman of the Board	Dow Brewery Limited
WILLIAM TYLER HAMILTON.....	Manager	2 yrs. and 4 mths. 8 mths.	Assistant Manager Vice-President and Secretary	Canadian branch of C.F.P. Company
ROLAND LOUIS HENRI TASSIN DE MONTAIGU.....	Economist	2 yrs. and 4 mths. 8 mths.	Economist and Statistician Treasurer	Canadian branch of C.F.P. Company
PHILIP REGINALD PAYN.....	Investment Dealer	3 yrs.	Vice-President	W. C. Pitfield & Company, Limited
JOHN JAMES SAUCIER, Q.C.....	Lawyer	3 yrs.	Partner	Chambers, Might, Saucier, Milvain, Peacock, Jones & Black

(ZD) No dividends have been paid by the Company since the date of its incorporation.

(ZE) There are no other material facts not disclosed in the foregoing.

Dated June 20, 1957.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario), Section 38 of The Securities Act, 1954 (Saskatchewan), Section 13 of the Security Frauds Prevention Act (New Brunswick), Section 45 of The Securities Act, 1955 (Alberta) and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible.

Directors

(Sgd.) JACQUES CHARLES VICTOR BENEZIT by his agent W. T. HAMILTON	(Sgd.) H. DE CIZANCOURT
(Sgd.) FREDERIC RENÉ BERBIGIER by his agent W. T. HAMILTON	(Sgd.) WILFRID GAGNON
(Sgd.) HENRI JEAN MAURICE CHAMPIN by his agent W. T. HAMILTON	(Sgd.) P. R. PAYN
(Sgd.) J. J. SAUCIER	

Promoter and Optionee

COMPAGNIE FRANÇAISE DES PÉTROLES, SOCIÉTÉ ANONYME

Per (Sgd.) H. DE CIZANCOURT

Attorney.

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario), Section 38 of The Securities Act, 1954 (Saskatchewan), Section 13 of the Security Frauds Prevention Act (New Brunswick), Section 45 of The Securities Act, 1955 (Alberta) and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

Underwriter

W. C. PITFIELD & COMPANY, LIMITED

Per (Sgd.) E. S. MORSE

Director.

The following are the names of every person having an interest, either directly or indirectly, to the extent of not less than five per centum in the capital of W. C. Pitfield & Company, Limited: A. S. Torrey, E. S. Morse, H. H. Mackay, J. A. Weldon, A. D. Hunt, P. R. Payn, E. F. C. Kinnear and W. C. Pitfield.

